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Coming Next Month

NATIONS OF SOUTH ASIA

May, 1982

In this issue, seven specialists discuss the changing economic and political developments in the nations of South Asia, including their strategic significance to the superpowers. Topics include:

Superpower Rivalry in South Asia
by ZALMAY KHALILZAD, Columbia University

Afghanistan
by NAKE KAMRANI, University of Southern California

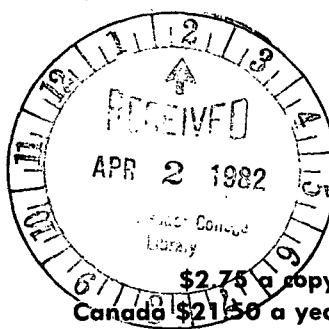
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Current History

APRIL, 1982

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For American policymakers, the nations of the Western Pacific have taken on a new importance since the United States withdrawal from Vietnam and the oil crisis of 1973. As our introductory article points out, "The determined Soviet military expansion in Northeast Asia, Soviet access to Vietnamese bases in Southeast Asia, and the Soviet invasion of Afghanistan, which threatened the security of vital Western and Japanese oil supplies, contributed to a United States reassessment of its military policies and posture both globally and in the Western Pacific."

U.S. Strategic Interests in the Pacific

BY WILLIAM R. FEENEY

Associate Professor of Government and Public Affairs, Southern Illinois University, Edwardsville

UNITED States involvement in the Western Pacific began with commercial and missionary activities in Asia during the nineteenth century.¹ But a permanent American presence was established only after the Spanish-American War and the acquisition of Hawaii, Guam and the Philippines, developments which transformed the United States into a major Pacific power. Since then, three lengthy and costly wars have been fought against different adversaries to preserve United States regional interests. The United States successfully thwarted Japanese designs to dominate Asia and the Western Pacific between 1941 and 1945; but thereafter, the Soviet Union and the People's Republic of China combined to aid Communist forces in their attempts to unify a divided Korea and Vietnam and to oust American influence. The protracted nature of these conflicts, global security considerations, and the reluctance of the United States to use nuclear weapons contributed to a stalemate in Korea and an American defeat in Vietnam.

¹The Western Pacific region is defined as that portion of the Pacific Ocean west of Hawaii and assorted offshore entities including the Trust Territory of the Pacific Islands (TTPI), Australia, New Zealand, other South Pacific island groups, Japan, Taiwan, the Philippines, Indonesia, Papua New Guinea, and Eastern Malaysia (Sarawak and Sabah), the immediate East Asian littoral including the Soviet maritime provinces, Korea, China, Vietnam, Kampuchea, Laos, Thailand, Western Malaysia, Singapore, and the British colonies of Hong Kong and Brunei.

²For an assessment of the Soviet military buildup during this period, see Japan Defense Agency, *Defense of Japan* (Tokyo: The Japan Times, 1978), pp. 30-35 and 1979, pp. 32-40. See also Research Institute for Peace and Security, *Asian Security 1979* (Tokyo: RIPS, 1979), pp. 42-48.

The Vietnam debacle seriously eroded United States prestige in the Western Pacific; however, at the same time the Sino-American rapprochement enabled Washington to discount future regional threat probabilities. One result was a substantial cutback in United States military force levels in the area. Symbolic of this general retrenchment was the removal of United States military personnel from Thailand in 1976 and the decision of the administration of United States President Jimmy Carter in March, 1977, to withdraw United States ground troops from South Korea by 1982. The Korean withdrawal announcement generated vigorous domestic criticism, a serious crisis of confidence in non-Communist Asia, and even some concern in the People's Republic of China. There was apprehension that an aggressive Soviet Union and a victorious united Vietnam would press their advantage and seek to fill the resulting partial vacuum to encircle China, undermine remaining United States mutual security ties with Japan, South Korea, the Philippines and Thailand (the Manila Pact), and encourage the gradual neutralization of both Northeast and Southeast Asia. In the process, the United States might well be slowly squeezed out of the area.

Indicative of this threat was a series of Soviet military initiatives in Asia during 1978 and 1979. These included a sharp troop buildup and the establishment of new military bases in the southern Kuril Islands adjacent to Hokkaido, added military pressure on Japan in the form of many proximate air and naval movements, and a pronounced qualitative improvement in Soviet regional military forces, particularly the Pacific Fleet.² In addition, with Soviet assistance Vietnam invaded and occupied Kampuchea (Cambodia)

in November, 1978. Ironically, the deterioration of the power balance in the Western Pacific coincided with new peaks in two-way trade between the United States and the nations of the area. In 1977, for the first time the value of United States Pacific trade exceeded the value of trade between the United States and West Europe. Just as United States regional economic interests were reaching new heights, the will and wherewithal to protect and advance those interests appeared to be declining markedly.

The year 1979 signaled a critical turning point in the reassertion of United States strategic interests in the Western Pacific. In January, the United States and China established full diplomatic relations, and a revised United States basing agreement was concluded with the Philippines. United States air and naval forces in the area were substantially upgraded with the introduction of F-15's in Japan, F-16's in South Korea, and the addition to the Seventh Fleet of several new Spruance-class destroyers, Perry-class guided missile frigates, Los Angeles-class attack submarines, and F-14's. But most important, in July the Carter administration reversed its earlier Korean withdrawal decision and postponed any further force reductions. Taken together, these actions were intended to reestablish a credible United States military presence in the Western Pacific and to reverse the perceptions increasingly shared by Asian leaders of American weakness and lack of resolve in the face of a determined Soviet and Vietnamese challenge.

The shift in United States policy, however, was primarily motivated by a series of events in 1979 that threatened to erode decisively the regional power balance. In February, 1979, China launched an 18-day war against Vietnam to force Vietnam's withdrawal from Kampuchea. Not only did this action fail to achieve its objective, but it led to an expansion of Soviet assistance to Vietnam and, more important, to regular Soviet military use of Vietnamese ports and airfields (particularly Danang and Camranh Bay). In the process, the Soviet Union achieved a dramatic strategic breakthrough, establishing a forward military presence in close proximity to the Malacca Straits and the major shipping lanes of trade-dependent Japan and vulnerable Southeast Asian states. Not only were Soviet capabilities for reconnaissance, local intervention, and antisubmarine/anti-carrier warfare against United States forces greatly increased, but in the absence of a clear-cut American response Moscow might have been able to realize its long-standing goal of creating a Soviet-dominated Asian collective security system.

³For a survey of United States foreign policy in Asia, see James C. Hsiung and Winberg Chai, eds., *Asia and U.S. Foreign Policy* (New York: Praeger, 1981).

⁴For a review of United States regional security interests, see William T. Tow and William R. Feeney, eds., *U.S. Foreign Policy and Asian-Pacific Security* (Boulder, Col.: Westview Press, forthcoming, 1982).

This concern was amplified by the growing destabilization of the Persian Gulf after the 1978 Iranian revolution and especially after the December, 1979, Soviet invasion of Afghanistan. Because Japan, the linchpin of United States Asian security policy, depends heavily on Middle East oil supplies (about 66 percent) and raw material imports from Southeast Asia, United States failure to take action might have generated irresistible pressures for Japan to reevaluate the United States strategic connection to ensure the security of its sea lines of communications (SLOC's) with these vital areas. In addition, any Asian defection in the direction of nonalignment would have a ripple effect, seriously jeopardizing United States regional interests.³

United States interests in the Western Pacific have a security, economic and political aspect, and all these factors are closely linked. The security factor represents the most important dimension and involves primarily the containment and neutralization of an expanded Soviet military presence in the region. Of secondary importance is the preservation of the area as a buffer zone and a staging area so that the United States can deter the Soviet Union and/or its allies from launching military action against either United States territory or that of its regional allies. The economic aspect concerns the large and rapidly expanding volume of international trade conducted between the United States and its Asian-Pacific trading partners as well as the sizable amount of direct United States investment in East Asia and Oceania. Of special importance are the critical and strategic raw materials that the United States imports from this area and the significant role played by United States access to these export markets in maintaining American domestic prosperity. The political dimension of United States area interests involves the maintenance and strengthening of mutually beneficial relationships with allied and friendly states and the discouragement of political instability that could jeopardize such ties and related security and economic interests.

Together with its regional allies and friends (including China), the United States has a major security interest in maintaining a forward military presence in the Western Pacific sufficient to deter the Soviet Union from launching a direct nuclear strike against United States home territory or from engaging in conventional aggression, either singly or in support of its major regional allies (Mongolia, North Korea and Vietnam) against neighboring states.⁴ In either case, the Western Pacific represents a potential theater of operations in the event of general or limited war.

SOVIET FORCES IN THE WESTERN PACIFIC

Soviet military capabilities in the Western Pacific, both strategic and tactical, are substantial and represent a growing security threat to the United States.

The principal sources of concern are the Soviet Pacific Fleet and regional air force and naval aviation units. In 1980, it was reported that the Soviet Pacific Fleet was assigned over 100 submarines, including 23 fleet ballistic missile submarines (SSBN's).⁵ Of the SSBN's based at Petropavlovsk-Kamchatskiy at the southeast end of the Kamchatka Peninsula, eight are advanced Delta-class models, which carry long-range missiles and are able to operate within the protected confines of the enclosed Sea of Okhotsk. The remainder (mostly Yankee-class SSBN's) have shorter missile ranges and necessarily must transit to operating stations in the Eastern Pacific.

Soviet regional naval and air forces are also formidable both in terms of numbers and offensive and defensive capabilities. In 1981, the Soviet Pacific Fleet numbered 86 major and 210 minor combatants, 54 amphibious vessels, 73 major auxiliary and support ships, and 330 combat naval aircraft including 100 bombers.⁶ This latter force is thought to contain some 20 Backfire B bombers, which have an extended range and pose a serious threat to United States aircraft carrier task forces operating in the Western Pacific. Traditionally limited in their amphibious and forward force projection capability, since 1979 the Soviets have added more than 4,500 naval infantry (marines) in the Asian-Pacific area, an amphibious assault ship, a large fleet oiler, and the V/STOL (Vertical/Short Takeoff and Landing) carrier *Minsk*. Soviet air forces in the region number almost 2,500 aircraft including some 800 air defense fighters, 1,200 tactical aircraft, and

⁵Captain John Moore, ed., *Jane's Fighting Ships 1980-81* (London: Jane's Publishing Co., 1980), pp. 127, 465.

⁶International Institute for Strategic Studies, *The Military Balance, 1981-1982* (London: IISS, 1981), p. 13.

⁷See the statement by Admiral Robert L. J. Long, Commander in Chief, Pacific (CINCPAC) in U.S. Congress, House Committee on Armed Services, *Hearings on Military Posture and H.R. 2614 and 2970*, 97th Cong., 1st sess., Part 1, (February 20, 1981), p. 711. Soviet air force levels are provided in this same section.

⁸See Commander in Chief Pacific, *The U.S. Pacific Command* (Camp H.M. Smith, Hawaii: CINCPAC, n.d.), p. 1. The three major commands of PACOM are the Pacific Fleet (PACFLT), headquartered at Makalapa near Pearl Harbor, the Pacific Air Forces (PACAF), with headquarters at Hickam Air Force Base, Hawaii, and the U.S. Army Western Command (WESTCOM), based at Fort Shafter, Hawaii.

⁹Arrays are reportedly deployed along the Kamchatka Peninsula, the Kuril and Aleutian Islands chains, at the key chokepoints for the Soviet Pacific Fleet around Japan (the Tsushima, Tsugaru and Soya straits), in the East China Sea, off the east coasts of Taiwan and the Philippines, and near the Sunda and Malacca straits, Guam and Hawaii. Onshore monitoring stations are located near each of these sites. This data and the following discussion are derived largely from Joel S. Wit, "Advances in Antisubmarine Warfare," *Scientific American*, February, 1981, pp. 31-41. For a map depicting the patrol areas of Soviet Delta- and Yankee-class SSBN's and the approximate locations of SOSUS arrays and facilities and bases for U.S. ASW aircraft, see *ibid.*, pp. 36-37.

about 380 bombers. The rate of growth is alarming, especially considering the fact that the Soviet Union added more new fighter/interception aircraft (about 200) to its Far East forces in 1980 than the United States has in its entire Pacific air force.⁷ Although it is thought that the majority of these units are intended to deal with a possible conflict with China, they would undoubtedly be available in a Soviet-American confrontation.

U.S. FORCES IN THE WESTERN PACIFIC

To counter this large and growing strategic and tactical regional threat, the United States has positioned a portion of its strategic nuclear forces in this area to strike directly at Soviet territory and forward based strategic units. The United States Pacific Command (PACOM), which since 1976 has been responsible for both the Pacific and Indian Ocean basins (an area covering more than 100-million square miles, over 50 percent of the earth's surface), maintains a broad array of forces for that purpose. Its primary stated mission relating to the Western Pacific area is to support and implement United States regional policies and interests by planning and conducting whatever operations and activities are directed.⁸

The United States has made significant advances in its antisubmarine warfare (ASW) capabilities. The most effective technique is the Sound Surveillance System (SOSUS), a fixed installation acoustical array of passive hydrophones that are deployed at key offshore locations with appropriate onshore monitoring stations.⁹ This system can fix the position of a submarine within a radius of 50 nautical miles or less. Spy satellite surveillance of Soviet port facilities, the probable deployment of Captor ASW torpedo mines at key egress chokepoints, close shadowing by United States attack submarines, the use of land-based ASW aircraft (mostly Orion P-3's), and the automated data facilities of the advanced Illiac 4 computer provide the United States with impressive ASW capabilities. The major defensive shortcoming is the relatively more limited surveillance of Delta SSBN's operating in the Sea of Okhotsk. In this instance, attack submarines together with ASW aircraft operating out of northern Hokkaido and Seventh Fleet units must be able to penetrate, locate and destroy these submarines rapidly in the event of war. By comparison, the United States maintains 5 of its 36 fleet ballistic missile submarines in the Pacific and will soon deploy the much larger and more powerful *Trident* SSBN. Soviet ASW capability is considerably more limited and cannot now provide adequate surveillance or effective defense against these forces.

The United States Pacific Fleet is made up of 7 aircraft carriers (3 assigned to the Seventh Fleet with 1 currently deployed in the Indian Ocean and 2 in the Western Pacific), 39 attack submarines (8 with the Sev-

enth Fleet), 87 major surface combatants (21 with the Seventh Fleet), 5 amphibious assault ships, and more than 80 support and auxiliary vessels.¹⁰ However, the recent Soviet buildup and extended naval requirements in the Indian Ocean have severely strained United States naval resources in the Western Pacific area. With greater numbers of vessels, the Soviets potentially are able to deploy more ships. Their major disadvantages are operationally adverse weather conditions (ice and fog) and the need to egress through narrow chokepoints that could easily be mined and otherwise blockaded.

The United States Pacific Command has a considerably smaller though nonetheless impressive inventory of high performance air force, navy and marine air units deployed in Japan (including Okinawa), South Korea, the Philippines, Guam, aboard Seventh Fleet carriers and in Hawaii and Alaska and on the United States West Coast. Units in the Western Pacific include 3 tactical air force fighter wings with over 200 combat aircraft (F-4's, F-15's, and F-16's), some 130 navy carrier-based planes (F-14's, F-4's, A-18's, A-7's, A-6's) and 65 marine corps combat aircraft (F-18's, F-4's, AV-8A's, A-18's, A-8's) as well as an expanded squadron (14+) of long-range B-52's based on Guam.¹¹ Not only are many of these units capable of delivering nuclear weapons against Soviet territory in case of war, but they could also take action against the Soviet Union or its allies in more limited conventional conflicts and could be supplemented quickly by additional units based in the Eastern Pacific and the continental United States.

A somewhat less obvious United States security interest in the Western Pacific is to safeguard the area as a vital transit point for the maintenance and supply of a United States military presence in the Persian Gulf and the Indian Ocean. During the Iranian and Afghanistan crises of 1979-1980, significant numbers of United States ships and aircraft, many based in the Pacific, were deployed temporarily to more proximate operating stations. It is generally acknowledged that this presence and the requisite supply effort could not have been mounted and sustained without the use of forward basing facilities in the Western Pacific, especially in the Philippines. In any conflict in the Persian

¹⁰IISS, *op. cit.*, pp. 8, 10; and Moore, *op. cit.*, pp. 615-96, *passim*.

¹¹U.S. Congress, House Committee on Armed Services, p. 710; and Harold Brown, Secretary of Defense, *Department of Defense Annual Report Fiscal Year 1982* (Washington, D.C.: Government Printing Office [GPO], 1981), pp. 173-74.

¹²Since 1976, Japan has limited its defense expenditures to less than one percent of GNP, the lowest of any industrialized nation. In 1981, Japan is spending about 0.9 percent of GNP or some \$11.5 billion compared to 5.5 percent (\$171 billion) by the United States. See IISS, *op. cit.*, pp. 112-13. In 1982, that figure will rise to \$11.7 billion, still less than one percent of GNP.

Gulf area, therefore, the security of Western Pacific bases, water and airspace would be indispensable.

In evaluating the United States ability to protect its interests in the Western Pacific, at the present time available assets appear to be marginally adequate to deter direct hostile Soviet action against the United States or its regional allies. This is true largely because of the persistence of the Sino-Soviet conflict, continued Sino-American cooperation, and Soviet preoccupation with Afghanistan and Poland. However, the long-term trend in the regional military power balance in the Western Pacific is adverse to the United States. If North Korea or Vietnam should attack South Korea or Thailand, respectively, or should the United States-China relationship deteriorate over the Taiwan question or a second Sino-Vietnamese war, in view of its European and Middle East priorities the United States would be hard pressed to ensure its security interests in the Western Pacific and to maintain the confidence of its regional allies.

UNITED STATES ECONOMIC INTERESTS

The United States also has vital economic interests in the Western Pacific in the form of burgeoning trade and substantial direct investment. United States dependence on the availability of certain strategic raw materials from this region and continued access to its markets is also a growing reality in the 1980's. Thus the continued needs of some economically important but less developed and vulnerable Western Pacific nations have prompted the United States to supply extensive economic assistance and military aid.

Japan is the leading American trading partner in the region, followed by Taiwan, South Korea, Hong Kong, Indonesia and Australia. What is most significant is the rapid growth of these exchanges from \$52 billion in 1976 to nearly \$114 billion in 1980, an increase of more than 200 percent in a scant four years. While the proportion of United States regional imports in relation to the United States overall world total has remained fairly constant at approximately one-fourth of the total, the volume of United States exports to the area has risen some 15 percent. On the other hand, throughout this period the United States has continued to run a negative overall trade balance with its area trading partners. Surpluses with Australia, China, South Korea, the Philippines, Singapore and Thailand have been more than offset by deficits with other nations, most notably Japan. Indeed, in 1981 the United States bilateral imbalance with Japan is expected to approach \$18 billion. In this regard, major United States objectives include voluntary Japanese restrictions on exports to the United States, greater access for American goods to the Japanese market, and a greater willingness on Japan's part to increase its defense spending and assume a larger share of the defense burden in the Western Pacific.¹²

Table 1: U.S. Net Import Dependence on Specific Metals: East Asia and Oceania

Material	Percent Imported		Major Supply Source	Percent of Consumption Supplied	Alternate Sources (Percentage)	Material Usage
	1980	2000 (E)				
Antimony	53	96	China	8	South Africa (29) Mexico (18) Bolivia (12)	flame retardant, batteries, ceramics, chemicals.
Bauxite/Alumina	94	80	Australia	15	Jamaica (34) Guinea (28) Suriname (13)	90% aluminum in transportation (aircraft production), remainder: chemicals, abrasives, refractors.
Cadmium	62	61	Australia	14	Canada (25) Mexico (14) Belgium/Luxembourg (9)	plating, pigments, batteries, alloys.
Chromium	91	89	Philippines	9	South Africa (49) USSR (12) Turkey (8)	construction, machinery, transportation, paints, chemicals, ceramics.
Columbium	100	100	Thailand	7	Brazil (66) Canada (9)	construction, petroleum industry, transportation, machinery.
Manganese	97	100	Australia	13	South Africa (25) Gabon (19) Brazil (13) France (12)	steel production, batteries, chemicals.
Selenium	40	42	Japan	23	Canada (40) Yugoslavia (10)	electronics, glass, chemicals, pigments.
Tantalum	97	87	Thailand Malaysia	35 10	Canada (13) Brazil (4)	electronic and nuclear reactors components, capacitors, machinery, transportation (aerospace).
Tin	84	79	Malaysia Thailand Indonesia	49 15 10	Bolivia (17)	cans, containers, electrical, construction, transportation.
Titanium (ilmenite)	47	67	Australia	56	Canada (32) South Africa (7)	aircraft frames and engines, industrial and marine equipment, pigments, chemicals.
Tungsten	54	74	Thailand South Korea	7 7	Canada (24) Bolivia (17)	metal working and construction machinery, transportation, lamps, electrical.

Source: U.S. Congress, Subcommittee on Economic Stabilization, Committee on Banking and Urban Affairs, *A Congressional Handbook on U.S. Materials Import Dependency/Vulnerability. Report*. 97th Cong., 1st sess. (September, 1981), pp. 18-20, 22.

In addition to international trade, direct United States investment in East Asia and Oceania at the end of 1980 amounted to nearly \$23 billion, up from \$15.2 billion in 1976, but still less than 11 percent of the overall United States worldwide total.¹³ Although categorically incomplete, the available data suggest that the bulk of United States investment is concentrated in Japan and Australia, especially in the manufac-

ting, energy and trade sectors. Major United States in-
(Continued on page 183)

William R. Feeney is a contributor to scholarly journals and is coeditor with William T. Tow of *U.S. Foreign Policy and Asian-Pacific Security* (Boulder, Col.: Westview Press, 1982) and a contributor to *Sino-American Normalization and Its Policy Implications*, edited by Gene T. Hsiao and Michael Witunski (forthcoming); *China in the Global Community*, edited by James C. Hsiung and Samuel S. Kim (New York: Praeger, 1980); and *Sino-American Détente and Its Policy Implications*, edited by Gene T. Hsiao (New York: Praeger, 1974).

¹³The U.S. Commerce Department does not make public all its statistical data in the interest of preserving the confidentiality of such information when it can be attributed to specific companies. Thus, the total figures and percentages for each category are omitted.

"Australia's location . . . places it in a pivotal position relative to the strategic lines of communication that connect the Pacific and Indian Oceans, which carry the naval and commercial traffic whose interruption would have inordinately adverse repercussions for American and allied interests."

Australia and U.S. Strategy

BY HENRY S. ALBINSKI

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THE achievement of United States diplomatic and security objectives in the Indo-Pacific region will be affected not only by Soviet-American rivalry and the special, equilibrating roles of China and Japan, but by a host of national and subregional circumstances that often evolve independently of great power relations.* It is in this sense that Australia's assets for American interests and objectives are significant.

Unlike other United States friends and allies, Australia ranks very high on indices of internal social and political stability. It is not susceptible to violent disruption or fundamental systemic changes and this predictability allows the United States reasonable continuity in its relationship with and expectations of Australia. Moreover, all major Australian parties and party groups—the Liberal-National Country party (L-NCP) coalition, the Australian Labor party (ALP) and the Australian Democrats—are essentially mainstream and pragmatically disposed. United States access to the Australian political system extends into the powerful public service, especially to federal departments, like Defense and Foreign Affairs, and to security and intelligence organizations, with which contacts have long been in place.

On balance, the United States has found that its relations with the L-NCP are somewhat more comfortable than with the ALP, and the L-NCP has become the dominant Australian federal political force. Apart from 1972-1975, the coalition parties have governed continuously from 1949 to the present; in this period, non-Labor has won 12 House of Representatives elections, Labor only 2. Despite some rough edges in United States-Australian relations during 1972-1975, the external policy changes introduced by the government of Prime Minister Gough Whitlam (1972-1975) were more of degree than of kind, and basic United States interests were not degraded. Moreover, Washington has been gratified that the differences between the government of Prime Minister Malcolm

Fraser and the United States in such areas as trade and the extraterritorial application of American law have not been allowed to undermine sound political and defense relations. Australian public opinion has remained broadly supportive of close ties with the United States.

During the administration of United States President Jimmy Carter, the United States and Australian views of world and regional developments and how to deal with them did not fully coincide but they perceptibly converged in the second half of President Carter's term. Despite some differences, the Fraser government and the administration of United States President Ronald Reagan seem especially well attuned.

Australia's geography and location are prominent assets for American political and strategic objectives in the Indo-Pacific region. An island continent on the edge of Asia without menacing neighbors on its doorstep, Australia does not foreseeably face serious and direct security threats. At bottom its security is believed to depend on regional and global events outside its immediate strategic environment. The United States does not therefore need to direct scarce military resources or diplomatic energy to protect Australia, or to worry about facing dilemmas associated with testing the ANZUS pact (officially, the Tripartite Security Treaty between the Governments of Australia, New Zealand and the United States) by upholding or negating on actual or assumed obligations toward Australia.

Australia's location, however, places it in a pivotal position relative to the strategic lines of communication that connect the Pacific and Indian Oceans, which carry the naval and commercial traffic whose interruption would have inordinately adverse repercussions for American and allied interests. These straits traverse Southeast Asia rather than Australia as such. But a hostile Australia to the south of these passageways would compromise them, or would at least render their utility far more questionable. Fortunately, Canberra's policy has in various ways been directed at insuring safe and unimpeded passage through surrounding straits; witness Australia's role during law of the sea negotiations and its accommodating attitude

*An expanded version of this article was presented at the International Symposium on "The United States and Oceania West," Massey University, New Zealand, August, 1981.

toward Indonesia. Indeed, should an emergency undercut the usefulness of Malacca, Sunda, Lombok and Ombai-Wetar, then the alternative, roundabout Pacific-Indian Ocean passage via the Tasman Sea and round the southern coast of Australia would be required, as would Australia's cooperation.

Australian territory and outlying waters have become vital cogs for United States communications and surveillance facilities. Because of Australia's location, these facilities are for the most part not transferable without severe damage, even assuming that politically hospitable, alternative sites are available.

The United States also utilizes convenient Australian territory for its military forces. With special reference to the Indian Ocean, Australia's location and political amenability combine materially to enhance American capabilities. In early 1981, agreement was reached for landing and transit rights in Darwin for B-52's and their supporting tanker aircraft on training missions and surveillance flights in the Indian Ocean.¹

United States naval units regularly visit Australian, in particular Western Australian, ports. In the 15-month period from January, 1980, through May, 1981, 38 United States surface craft and submarines called in Western Australia. Port calls offer at-large opportunities for crew rest and recreation, reprovisioning and minor repairs. It is conceivable that, in the future, in support of the United States Rapid Deployment Force or other Indian Ocean-related military undertakings, Western Australia's utility could extend to the stockpiling of stores or as a site for amphibious and other land-based exercises.

The potentially most ambitious United States presence would entail the acceptance of the Australian government's offer of the Cockburn Sound naval base (HMAS Stirling), on a scale extending up to providing a home port for a carrier task force. At the time of this writing, a United States decision to station a task force at Cockburn is unlikely. But as a complement to Philippine bases or as a hedge against their possible untenability, or against the prospect of the closure or interdiction of Southeast Asian maritime passageways,

¹For the agreement see Fraser, *Commonwealth Parliamentary Debates*, House of Representatives, March 11, 1981, pp. 666-67. For U.S. interpretation of the agreement, see U.S. Embassy, Canberra, *Press Release*, "U.S.-Australian Agreement on Transit of Darwin by USAF B-52 Aircraft on Training and Sea Surveillance Missions," March 30, 1981.

²On prospective U.S. uses of Cockburn, see John Edwards, *Bulletin*, June 17, 1980; Denis Warner, *Melbourne Herald*, July 21, 1980; Alan Hale, citing the present author, *Perth West Australian*, May 20, 1981; Henry S. Bradsher, *Washington Star*, April 24, 1981.

³For a review of Australia's forces and their equipment and activities, see *Defence Report 1980* (Canberra: Australian Government Printing Service, 1980). On features of the military in a broader national setting, see F. A. Mediansky, ed., *The Military and Australia's Defence* (Melbourne: Longman Cheshire, 1979).

Australia's offer of Cockburn widens American strategic options.²

AUSTRALIA'S ECONOMIC RESOURCES

Much of Australia's foreign policy is underpinned by the very vitality of Australia's economy. Australia is a wealthy and economically diverse industrial nation. In 1980, its gross domestic product (GDP) stood at US\$83.4 billion. During 1981, its economic growth was 3.2 percent in real terms. This is well above the OECD (Organization for Economic Cooperation and Development) average; and at just under 10 percent, its inflation rate is under the OECD average. Its unemployment rate remains at under 6 percent. Unlike many industrial countries, including the United States and New Zealand, its overseas balance of payments account is not worrisome.

Domestic strategies and the international economic climate will of course affect Australia's future economic direction. Criticisms have been voiced, in and outside Labor party circles, that prevailing government preoccupation with development projects will lead to distortions that will weaken the economy. Administration officials and others complain that endemic industrial unrest and high wage claims can stifle national economic buoyancy. Still, during the decade of the 1980's, among Asian-Pacific nations, only Australia and Malaysia have been projected to improve their economic performances.

One consequence of Australia's economic health is that it can afford programs that sustain its external policy objectives. Australia is one of the very few non-Communist industrial nations that has undertaken a substantial and long-term program of defense upgrading. Although it started from a lower base than the principal NATO (North Atlantic Treaty Organization) countries, as of 1980 it launched a five-year defense program predicated on expenditures constituting annual real-term increases of 7 percent, which will result in the allocation of 3 percent of GDP for defense. The 1981-1982 defense appropriation was equivalent to US\$4.7 billion.

Australia's forces currently number about 73,000 and are scheduled for expansion to 76,000; they are among the best trained and equipped in the entire region. Australia's military capabilities enable its forces to be deployed in roles ranging from training and support (as in Malaysia and Singapore), to special assignments associated with peacekeeping and supervision, to independent deployments in and beyond its immediate strategic environment. Like no other regional power, Australia is able to deploy sophisticated forces for joint exercises and potential combat alongside the United States and others as part of the allied defense format.³

Australia's civil economic assistance programs are concentrated in the South Pacific and in Southeast Asia, where the nation's principal diplomatic and se-

curity interests lie. Australian aid is nonrepayable. In Papua New Guinea (PNG), whose economy is heavily sustained by Australian aid, the funds are contributed unconditionally for use in the general budget. Australia's aid program in 1981-1982 is scheduled to reach A\$662 million. This represents 0.45 percent of GNP, somewhat above the OECD donor national average, and far ahead of the United States. A 6 percent real-term rise is apparently planned.⁴

OVERSEAS INVESTMENT

Australia is a sound, stable, low risk, economically attractive target for United States investment. Moreover, despite some recent indications of guideline tightening; L-NCP government investment policies add considerably to a favorable investment climate. The consensus among United States investors appears to be that they are more apprehensive about Australian industrial unrest than about the prospect of an ALP government. Australia has the largest concentration of United States investment of any Asian-Pacific nation. Within Australia, the United States has become the single most prominent source of overseas investment, and predictions are that during the present decade anywhere from 50 to 70 percent of new investment will be American.

The preponderance of overseas investment in Australia will continue to focus on the nation's natural resources. These resources are often described in superlatives, with regard to their diversity and their abundance. Some natural resources, like the newly discovered, vast deposits of tantalum, have direct, strategic material application. Many are energy-related, including uranium, coal, shale and natural gas. Australia is one of the very few industrial countries that is a net energy exporter. It is estimated that, in oil-equivalent terms, its net energy exports will rise from 22 million tons in 1980 to 300 million tons in 1990.

The international implications of Australia as a reliable and plentiful supplier of energy and other natural resources are evident. A prosperous trade implies reinforcement of Australia's economy, and therefore of the nation's ability to continue reasonably impressive defense, foreign aid and other programs. It helps to build the economies, and therefore the political and security resilience, of many states, including the region's new industrial countries. It has made a signal contribution to the prosperity and geostrategic sound-

⁴On Australia's aid programs, see *Development Cooperation: Australia's Program of Support for Social and Economic Development in the Third World. Bilateral Program 1980-81* (Canberra: Australian Government Publishing Service, 1981).

⁵For Fraser's assessment of the Commonwealth, see his comments of March 8, 1981, cited in *Commonwealth Record*, vol. 6, no. 2, pp. 209-10. For praise of Fraser's role in the Zimbabwe settlement, see comments by Shridath Ramphal, Commonwealth Secretary-General, cited in *Sydney Morning Herald*, March 26, 1980, and discussion of black African commendation in *Australian*, May 3, 1980.

ness of Japan, the keystone of security in northeast Asia for the United States and its friends and allies. About 27 percent of Australia's exports are directed to Japan, making it Australia's major trading partner. Japan's recent import dependency on Australia has been 70 percent for bauxite and over 40 percent for both coal and iron ore. Japan has committed itself to participation in the development of the huge, A\$8 billion North-West Shelf natural gas project, thereby further embedding itself in the Australian resources scene. Indeed, while much of the publicity surrounding Japan's reliance on Australia turns on natural resources, Japan is overwhelmingly dependent on Australian beef, lamb and wool. Australia's agricultural export capacity, in these as well as grain and dairy product commodities, is itself an economic and inferentially political asset.

INTERNATIONAL POLITICAL CONNECTIONS

Australia's politico-military value to the United States extends well beyond its location. Without playing a surrogate role, Australia can pursue policies that complement United States objectives and in many instances, the United States will not itself foreseeably be in a position to replicate such undertakings.

First of all, unlike many of the United States friends and treaty partners in the Indo-Pacific region, Australia does not suffer from any serious reputational disabilities; it is not burdened by a contentious civil and political rights record or a record of mistreatment of racial or other minorities. The Commonwealth government's treatment of its aboriginal population has not become a source of international embarrassment. The "White Australia" policy is a thing of the past, and Australia has accepted more Vietnamese refugees per capita than any other nation. These considerations promote Australia's acceptability and therefore its access and influence in an Asian-Pacific environment that is overwhelmingly non-European. Australia's position as a resident middle power rather than superpower enlarges its regional acceptance.

Unlike the United States, Australia is also a member of the Commonwealth of Nations, with special entrée to a broad spectrum of Asian, African and other diverse nations. Fraser has acquired exceptionally high personal standing within the Commonwealth because he has cultivated it deftly and because of the special recognition that he and Australia have earned on such issues as arranging the Zimbabwe settlement and enforcing the Gleneagles agreement regarding sporting contacts with South Africa.⁵

Within the South Pacific community, many of whose elites are Australian educated or otherwise related, Australia's reputation on decolonization, economic assistance, and interest in regional associations is high. Australia's record in Papua New Guinea, the region's largest and most influential country and a bridge to Southeast Asia, is often held up as a model of pre-and

post-independence treatment by the metropolitan power.⁶

The South Pacific is composed of economically frail countries, and two-thirds of Australia's bilateral economic aid program is devoted to the region. To be sure, PNG receives the lion's share —at least A\$1.32 billion is projected for the five-year period beginning 1981-1982. For the three-year period beginning 1979-1980, Australia pledged A\$120 million to other South Pacific countries, and the figure for 1980-1981 alone has been brought up to A\$731 million, a large amount considering their very small populations and, in absolute terms, their small requirements. This figure is far greater than any funds being invested by others, including the United States, apart from the special circumstances of America's underwriting of its Micronesian territories.

Politically, Australia has been able to fortify regional institutions, including the South Pacific Forum, of which the United States is not a member. On occasion, as in the tuna fisheries controversy, it has been well situated to interpret, defend or conciliate United States policies. Together with its ANZUS partners (but often in a lead position), it has helped to dissuade regional countries from accepting resident Soviet diplomatic and consular representation and offers of Soviet economic and technical assistance. Most recently, Australia was joined by the United States and New Zealand in a program of geoscientific and hydrographic research, successfully countering a Soviet bid.⁷

Australia has also earned regional credit through its vigorous condemnation of French nuclear testing programs and has thereby won a better position to dampen South Pacific community notions about a nuclear-free zone. In 1976, Australia and New Zealand were instrumental in setting aside an earlier Forum declaration favoring such a zone. If the South Pacific nuclear-free zone concept were to flourish, it would inconvenience United States strategic mobility and complicate United States relations with resident nations. In more tangible terms, Australian defense cooperation and assistance programs are seen to contribute to overall regional well-being, including security.

⁶The principal exposition of Australia's interests in the South Pacific remains *Australia and the South Pacific*, Report from the Senate Standing Committee on Foreign Affairs and Defence (Canberra: Australian Government Publishing Service, 1978). From a U.S. perspective, see John C. Dorrance, *Oceania and the United States*, National Security Affairs Monograph Series 80-86 (Washington, D.C.: National Defense University, June, 1980), and Evelyn Colbert, *The United States and the Southwest Pacific* (New York: United Nations Association of the United States of America for the UNA-USA Japanese-American Parallel Studies Program, June, 1981).

⁷See Michael McKellar, Acting Minister for Foreign Affairs, statement of June 12, 1981, M63. For commentaries, see Paul Malone, *Australian Financial Review*, June 15, 1981, and Russell Skelton, *Melbourne Age*, June 16, 1981.

Some of this aid is paramilitary, entailing professional assistance for police, coastal surveillance and even developmental projects. Some of it is more explicitly military, taking the form of training, equipment and in some instances operational backup for the few regional states that have raised armed forces. Thus Fijian troops have been backed logically by Australia in their performance of international peacekeeping and supervisory tasks.

But the principal beneficiary of Australian defense cooperation has been Papua New Guinea. In 1980, Australia was the only regional power politically willing and acceptable and materially capable of providing transport, communications, logistic and other rear echelon support for the PNG contingent that helped to neutralize the rebellion in Vanuatu (New Hebrides), thus enabling that country to consolidate its independence. Australia received credit within the South Pacific community for its role, and for its foresight in moulding a professional PNG defense force. The success of the enterprise was felt to carry potentially broader implications for the political stability of Vanuatu and neighboring New Caledonia. Thus, it is Australia that in large measure has given substance to the figurative characterization of the South Pacific as an "ANZUS lake," with the Western presence and influence dominant.

Throughout non-Communist Southeast Asia (essentially ASEAN, the Association of South East Asian Nations), relative Australian access and influence are not nearly so prominent. Australia has long been a patron of ASEAN; it has contributed to ASEAN's growth and solidarity and at times has served as an interlocutor between ASEAN and its individual members, and China and Japan. For instance, on China's request it has explained Chinese intentions to Indonesia, to mollify Indonesian suspicions. As the future of a Pacific Basin economic community has been increasingly clouded, Australia has assumed primary responsibility for reassuring ASEAN nations that the dominant industrial powers, like itself, Japan and the United States, are not considering the sponsorship of a political-military "hidden agenda" under the guise of economic association.

Australia's defense relations with Malaysia and Singapore are, however, of a special order. The Five Power Defense Agreement, to which New Zealand is the fourth and Britain is the fifth signatory, is not a security treaty as such. Based only on an exchange of letters pledging consultations and unspecified measures should Malaysia or Singapore be threatened, it nevertheless does introduce a Western and in large part ANZUS-linked mantle and has become an informal security subset within the broader, nonsecurity-focused framework of the ASEAN compact.

Various recent events have generally raised Australia's strategic value to the Western community. The

Soviet armed occupation of Afghanistan brought into sharp relief the military value of Australia's location and political receptivity, as the United States endeavored to enhance its own capabilities in the Indian Ocean. The Iranian revolution, the Iran-Iraq conflict and a stouter Organization of Oil Exporting Countries (OPEC) posture reinforced the importance of Australia as an energy supplier.

Under some imaginable international circumstances Australia could become less of an American asset. The emergence of Indonesian political radicalism and/or of foreign policy assertiveness, or desperate Indonesian action to export part of its surplus population might generate serious tensions and perhaps even hostilities between Indonesia and Australia. Caught on a cleft stick, the United States might choose to back Indonesia in preference to Australia, or at least remain neutral. If the United States opted for either and particularly the first of these courses, its credibility as a friend and guarantor, and the fabric of ANZUS itself, would become frayed in Australia.

Another possibility refers to New Zealand. Were the New Zealand Labor party to gain office in the near future and implement its current foreign and defense policy views, it would proceed to promote a nuclear-free zone in the South Pacific, deny entry rights to United States nuclear-powered and-armed vessels, desist from military undertakings outside its strategic environment except under appropriate international auspices, and press for a steep reduction in the military features of the ANZUS alliance. Either by formal declaration or by attrition, the United States-New Zealand defense relationship, and thereby ANZUS, could become severely degraded, and the United States-Australian connection could suffer. "ANZUS" as a code word or expression for the United States-Australian relationship would no longer fit. The subsequent defense debate in Australia could well become intense, and could polarize between those who would "forsake" and those who would "save" the American connection.

The New Zealand scenario, which on balance is more plausible or at least more immediately possible than the Indonesian, nevertheless assumes a conjunction of events that relies on "worst possible case" analysis, and the odds of its becoming reality at this time seem decidedly less than even. It does however serve to introduce the issue of adverse Australian political opinion, which itself could become a stumbling block in United States-Australian relations. The federal ALP opposition, led by Bill Hayden, needs less than a two percent swing to capture office. Since the 1980 election, Hayden and a number of his colleagues have stepped up their attack on the government's foreign and defense policies. For instance, Labor openly disapproves of the terms on which the B-52's transit through Darwin; it insists on access to and de facto veto power over United States message traffic passing

through the North-West Cape station; it opposes a permanent United States presence at Cockburn; it would tighten guidelines governing the admission and practices of overseas investment. Overall, Hayden has called for a review of the United States security connection, advocating a much more "independent" Australian posture. Various explanations for such Labor expressions have been offered, ranging from party convictions to the intramural politics and tradeoffs of Labor as a party to tactics devised to embarrass the Fraser government politically.

Should the ALP assume office in the near future and implement its current thinking, Australia's value to the United States would in some degree diminish. At least on defense/security matters, however, a Hayden government in Australia would on balance be less disturbing, or contribute less to souring bilateral relations, than would a Labor government led by Wallace E. Rowling in New Zealand. And, also on balance, as between Australia and New Zealand, Australia would remain the more important asset. Hayden personally acquired a reputation as one of the most "constructive" and "moderate" ministers in the Whitlam government. His potential alternative for the leadership, Bob Hawke, has generally positioned himself on the right wing of the party.

Judging by a succession of Democratic and Republican administrations in Washington, a change of presidential leadership would have little foreseeable effect on positive United States perceptions of Australia. Should a circumstance arise in which a Reagan administration had to operate vis-à-vis a Hayden government, the compatibility of the relationship would likely decline from its present state. An impressionistic judgment such as this could, however, prove overdrawn.

Moreover, during its first year in office the Reagan administration muted or adjusted some earlier policy indications in a way that both the L-NCP government and ALP had disapproved of and that now or later could otherwise contribute to United States-Australian frictions. The United States has, for example, opted for warm relations with China, rather than standing by earlier inclinations to elevate relations with Taiwan—though the ALP on its part says that this cordiality toward China has been shown for the wrong reason, i.e., counterbalancing the Soviet Union. The

(Continued on page 186)

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"... the conditions in which North Korea finds itself in 1982, including its economic difficulties and its need for military hardware, will probably compel North Korea to ask for support from its superpower allies. The deteriorating power position of North Korea vis-à-vis its Communist neighbors is a matter of increasing concern to the Pyongyang leadership."

North Korea: A Reevaluation

BY YOUNG WHAN KIHL

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NORTH Korea's President Kim Il Sung has ruled the 17 million people of Communist North Korea for 37 years and is today one of the longest-tenured Communist leaders, surpassed in tenure only by Albania's Enver Hoxha. In 1945, the 33-year old Kim returned to North Korea with the Soviet army; he fought earlier with the anti-Japanese guerrillas fighting in Manchuria in the late 1930's and allegedly served in the Soviet army during World War II.

In 1982, at the age of 70, Kim Il Sung has joined the ranks of the aging leaders of the Communist bloc countries, side by side with President Leonid Brezhnev of the Soviet Union and Vice Chairman Deng Xiaoping of the People's Republic of China. The rule of septuagenarian leaders (a factor by no means confined to Communist countries) tends in the Communist system to put into motion a series of political maneuvers, policy adjustments and potential succession struggles. Unlike their Western counterparts, the Communist leaders, once in power, are difficult to remove, and many of them retain lifetime positions, as in Ho Chi Minh's Vietnam and Mao Zedong's China. In the 1980's, North Korea indeed faces the challenge of assuring an orderly and smooth transition of political power.

Although he is apparently in good physical health, Kim Il Sung's advancing age has become a matter of great concern to him and to his associates. Under the pretext of assuring the continuation of the revolutionary task, "generation after generation," the sixth congress of the Korean Workers' party (KWP) elected the then 39-year-old Kim Jong Il—President Kim's eldest son—as a ranking member of the newly established five-member Presidium of the Politburo of the Central

Committee during its meetings of October 10-14, 1980. The decision to elevate Kim's son to the position of leadership in North Korea was a carefully planned and executed act, in the making for a long time before its official announcement in 1980. The North Korean elite were undoubtedly stimulated by the failures of smooth political transition in the post-Stalinist Soviet Union in the 1950's and post-Maoist China in the late 1970's. They were, moreover, determined not to repeat the errors made by other socialist countries in solving the question of political succession.¹

Thus the North Koreans approached the question of political succession differently and unconventionally. Instead of recruiting one of Kim's associates as his successor or preparing for collective leadership after Kim's death, the North Korean leaders decided to groom Kim's own son as heir apparent. In so doing, the North Korean leaders exposed themselves to the charge of adopting a feudalistic system of hereditary succession² which, although common in bygone eras, is exceptional and risky in the modern age and has been unheard of in the history of the Communist countries.

At the time of the announcement in October, 1980, the junior Kim was already in firm control of party affairs. As head of the organization and guidance department of the KWP since around 1974, he has been the second ranking member of the 10-man secretariat next to his father, who is General Secretary of the party. In October, 1980, he was also elected to join the five-member Military Commission of the party, as the third ranking member next to his father and his father's 71-year-old Defense Minister, General Oh Jin U. In the early summer of 1981, Kim Jong Il was elevated to the position of the second ranking member of the Presidium of the Politburo, placing him second to his father.

To keep confidential the preparatory work for political succession that had already been under way since around 1973, the name of Kim Jong Il was not mentioned openly in party publications before October,

¹For an interesting study of political succession in the Communist countries, see Myron Rush, *Political Succession in the USSR* (New York: Columbia University Press, 1965).

²See for instance Ilpyong J. Kim and Dong-Bok Lee, "After Kim: Who and What in North Korea," *World Affairs*, vol. 142, no. 4 (Spring, 1980), pp. 246-67, esp. p. 258.

1980. Instead, a code word for Kim Jong Il, "the party center," was employed in the publications of the party.³ But the junior Kim was credited with organizing and launching the Three Revolution Team Movement in 1973. Its team members, consisting of 20 or 30 young party cadres, technicians and intellectuals, were dispatched to cooperative farms and factories to carry out revolutionary works, like the "speedy campaigns" for implementing the six year economic plans.

The rise of Kim Jong Il in North Korea thus heralds a new chapter in the history of Communist North Korea. During the entire era since 1945, Kim Il Sung ruled North Korea as the absolute and supreme leader of the Democratic People's Republic of Korea (DPRK) by consolidating his power through a series of political purges of various factional groups within the KWP.⁴ Nonetheless, since around 1974, the North Korean leadership apparently planned to allow Kim Jong Il a period of political apprenticeship and learning under the tender care of his father. This political tutorial was undoubtedly intended to assure stability and to prevent any possible breakdown of socialist Korea after the inevitable death of Kim Il Sung. Whether the emergence of Kim Jong Il means continued stability or potential instability in the politics of North Korea in the 1980's is not absolutely clear.

The preparation for assuring smooth leadership succession in North Korea from Kim Il Sung to his son Kim Jong Il seems to have taken at least three directions. First, Kim junior was given an important position in the KWP bureaucracy. As the second ranking member of the secretariat, Kim Jong Il serves as a kind of chief of staff in the party while his father, the General Secretary, is the elder statesman. Second, after 1973 Kim junior was given the task of mobilizing the masses through the instrumentality of the Three Revolution Team Movement. Kim Jong Il's basis of political support was broadened as the team members became "the vanguard" of the revolution. Between 1970 and 1980, KWP membership increased from approximately two million to three million, with most of the recruits coming from the younger age group.

More important, Kim junior emerged as the third ranking member of the KWP Military Commission after his father and the aged Defense Minister. This military support appears to have made Kim Jong Il's rise to power possible. Of the 34 members of the Politburo, at least 11 were serving as generals or had a

³For the analysis of media coverage on Kim Jong Il, see Morgan E. Clippinger, "Kim Chong-il in North Korean Mass Media: A Study of Semi-Esoteric Communication," *Asian Survey*, vol. 21, no. 3 (March, 1981), pp. 289-309.

⁴Koon Woo Nahm, *The North Korean Communist Leadership, 1945-1965* (University: University of Alabama Press, 1974); also see Robert A. Scalapino and Chong-sik Lee, *Communism in Korea* (Berkeley: University of California Press, 1974) and Chong-sik Lee, *Korean Workers' Party: A Short History* (Stanford: Hoover Institution Press, 1978).

military background, while at least 20 percent of the 248-member (145 full and 103 alternate members) Central Committee were military officers at the time of the sixth congress in October, 1980. The only other leadership positions that Kim junior must fill to complete his absolute control of North Korea are in the Supreme People's Assembly, the country's rubber stamp Parliament, and on the Central People's Committee, the highest state organ, which serves as a kind of super Cabinet.

The cult of personality of Kim Il Sung in North Korea is severe and pervasive, perhaps exceeding the practices associated with the names of Stalin and Mao Zedong. Not only is Kim revered as "the Great Leader," "the Sun of the Korean People," "the Peerless Patriot and the Genius of the World Revolution," and the like, but the deification process encompasses his ancestors, including both paternal and maternal grandparents, parents, uncles and brothers as well as his siblings and his eldest son, Kim Jong Il. There is a widespread campaign in North Korea to glorify the immortality of the "revolutionary family" of Kim Il Sung, and to praise the "genius" and "artistic talents" as well as the "absolute loyalty" of Kim junior, who has been given the honorific title of "the Beloved Leader and Instructor Comrade Kim Jong Il." The next step, the succession of Kim Jong Il after the passing of his father, will be a natural and easy transition.

Although members of the North Korean elite are confident that they have resolved the coming succession crisis, the political arrangement leaves the leadership succession an open and potentially thorny issue. This may very well prove to be the Achilles' heel of the North Korean state, so laboriously and painstakingly constructed under President Kim's leadership.

ECONOMIC CONDITIONS IN SOCIALIST KOREA

North Koreans are led to believe that the DPRK is an "earthly paradise," thanks to the brilliant leadership of "the Great Leader Comrade Kim Il Sung." On a recent visit, this writer saw literally hundreds of plaques noting visitations by Kim displayed in public buildings and scenic spots across North Korea. These commemorate the occasions of "on-the-spot-guidance" by Kim Il Sung, and increasingly by Kim Jong Il as well.

In the summer of 1981, this writer was a member of a six-person delegation of United States academicians of Korean origin who were invited to tour North Korea for more than two weeks. During our stay in North Korea, our group was taken on a tour of various facilities in Pyongyang and its environs, industrial sites and cooperative farms, where we were able to conduct limited interviews and to ask probing questions. Included on our conducted tour were the Mangyongdae Shrine of Kim's birthplace, the Central Museum of History, and the Museum of Korean Revolution that

extols the record of Kim's anti-Japanese resistance.⁵ This huge and extravagant building of some 95 exhibition rooms covering 240,000 square meters, with a statue 60 feet high in front, was dedicated in 1972, timed with the 60th birthday of "the Great Leader Comrade Kim Il Sung."

The Tomb of Patriots, where there are 100 statues of independence fighters personally chosen by Kim Il Sung, stands in open air on a hill overlooking the city of Pyongyang. The modern maternity hospital in Pyongyang, which contains the latest automated equipment imported from West European countries, was constructed recently, we were told, under the personal guidance of Kim Jong Il. Children at various state-operated nurseries and kindergartens, primary and secondary schools were all singing the praises of Kim Il Sung and his revolutionary family tradition.

In recent years, many Western visitors to North Korea have noted (as did our group) widespread large-scale construction projects throughout the country.⁶ Particularly noteworthy are the rebuilding of the city of Pyongyang, with its elegant public buildings, high-rise modern apartments and subways, and the transformation of the villages in the countryside. Since North Korea was almost destroyed during the Korean War (1950-1953), this rebuilding is remarkable.

Based on official accounts and our limited experience there, North Korea seems successfully to have resolved the age-old problem of satisfying the three basic human needs, i.e., clothing, food and shelter. Although the price of clothing in the stores is still high, children's clothing is subsidized by the state, and the people in the street are relatively well-clad. North Korea is self-sufficient in food production. The govern-

⁵The other members of the visiting team included: C. I. Eugene Kim, B. C. Koh, Chae-jin Lee, Han-shik Park and Sung Chul Yang. Our experience in North Korea will be reflected in a forthcoming book tentatively entitled *A Journey Through North Korea: Personal Observations by Six Scholars*, to be edited by C. I. Eugene Kim.

⁶For instance, see Fred J. Carrier, *North Korean Journey: The Revolution Against Colonialism* (New York: International Publishers, 1975); Gavan McCormack, "North Korea: Kimilsungism: Path to Socialism?" *Bulletin of Concerned Asian Scholars*, vol. 13, no. 4 (October-December, 1981), pp. 50-61; Harrison Salisbury, *To Peking and Beyond: A Report on the New Asia* (New York: Quadrangle, 1973), chapters 16 and 17; Henry Scott Stokes, "Competition Between the Two Koreas Pays Off in Greater Prosperity for Both," *The New York Times*, August 11, 1980, p. A10.

On the North Korean economy in general, see Joseph S. Chung, *The North Korean Economy: Structure and Development* (Stanford: Hoover Institution Press, 1974).

⁷On the critical examination of the *Juche* principle, see Aidan Foster-Carter, "North Korea: Development and Self-Reliance: A Critical Appraisal" in Gavan McCormack and Mark Seldon, eds., *Korea North and South: The Deepening Crisis* (New York: Monthly Review Press, 1978), pp. 115-40; B.C. Koh, "Chuch'eesong in Korean Politics," *Studies in Comparative Communism*, vol. 2, nos. 1 & 2 (Spring/Summer, 1974), pp. 83-106.

ment claims that in 1979 North Korea's total grain production reached nine million tons and that some of its rice was exported to other countries. The prices for food and dwelling are relatively low, although they are heavily subsidized by the state. With an average monthly salary of 70-120 won per worker, the typical North Korean family of two working adults and two children spends about 10 won for the monthly rent of an apartment. The state-subsidized price of rice is only 7 chon (equivalent to 7 cents) for one kilogram.

To achieve this standard of living, the masses in North Korea work diligently, and the price they pay includes sacrificing freedom of movement and knowledge of the outside world. The regime's ironclad control keeps the population in a state of complete isolation. The North Korean masses, therefore, are either ignorant or misinformed about world events. North Koreans blame their isolation on outside powers, like the United States "imperialists"; but isolation is also imposed by the North Korean leaders themselves.

North Korea is fighting three revolutions: ideological, technical, and cultural. Its broad policy goals are imposed on the population from the top, and the party cadres are expected to lead the masses through the revolutionary team movement. The masses, in turn, are mobilized not only to double their efforts to achieve the socialist construction but also to give their unswerving loyalty to the Great Leader.

North Korea is one of the world's most highly centralized, socialized and planned economies, even by Communist standards.⁷ North Korea's planned economy is managed by commands from the center which, in turn, reflect the long-range and short-run economic plans formulated by the State Planning Commission. North Korea pursues an economic policy of "Juche"—meaning independence and self-reliance. Thus, it has built the material foundation of a socialist state "by its own effort," at least in theory, without relying on external sources of capital and investment. North Korea is not a member of Comecon (the Council for Mutual Economic Assistance, CMEA) that coordinates the economic policies and plans of the Soviet bloc countries, based on the principles of the international division of labor and comparative advantage in trade. Instead, North Korea follows an independent economic policy, including direct and barter trade.⁸

ECONOMIC STATISTICS

Like some other Soviet bloc countries, North Korea does not publish economic statistics, which are state secrets. All economic data are therefore estimates at best, based on fragmentary information made available periodically by North Korean authorities. The United States Central Intelligence Agency estimated the 1976 gross national product (GNP) per capita of North Korea to be \$590 while the World Bank estimated it to be \$1,000 in 1978 (as against South Korea's

\$1,310) and \$1,130 in 1979 (as against South Korea's \$1,500).⁹

In 1981, North Korea passed the midpoint in the projected second seven-year economic plan, 1978-1984. As initially unveiled in December, 1977, at the sixth Supreme People's Assembly, the overall objective of the current plan was almost to double the economic production of North Korea for 10 specific items by 1984. These included (1) 56 billion to 60 billion kilowatt hours of electricity from the 1977 level of 28 billion kwh, (2) 70 million to 80 million tons of coal from 53 million tons; (3) 7.4 million to 8 million tons of steel from 4 million tons in 1977; (4) 1 million tons of non-ferrous metals; (5) 5 million tons of engineering products; (6) 5 million tons of chemical fertilizer from 3 million tons in 1975; (7) 12 million to 13 million tons of cement from the current level of 8 million tons; (8) 3.5 million tons of fishery products from 1.8 million tons in 1978; (9) 10 million tons of grain from 8.5 million tons in 1977; and (10) 100,000 chongbo of reclaimed land (1 chongbo is equivalent to approximately 2.45 acres).¹⁰

There is no assurance, of course, that these ambitious goals will be fully met on time in the light of past poor performance and the international economic situation. Actually, the first seven year economic plan of 1961-1967 was extended for three years, and the six year economic plan of 1971-1976 was also extended for one year. Although North Korea follows the Juche principle, it is not completely immune from the impact of the global economy and recession abroad. Foreign trade, for instance, has adversely affected North Korea's domestic economy. Moreover, the seven year plan has the ambitious goal of simultaneously strengthening industrial output and the production of consumer goods. In formulating the latter goal, North Korean planners were undoubtedly impressed by the rapid economic growth in South Korea in the 1962-1978 years. The spirit of competitive development vis-à-vis South Korea has motivated North Korean leaders to increase the production and availability of consumer goods and thereby to improve the welfare of the masses.

To enhance industrial production, however, North

⁹Korea: *The Economic Race Between the North and the South* (Washington, D.C.: Central Intelligence Agency, 1978), p.2; *1980 World Bank Atlas* (Washington, D.C.: World Bank, 1980), p. 14

¹⁰*Korea Today*, no. 1 (1978), pp. 18-28, as cited by Daesook Suh, "North Korea 1978: The Beginning of the Final Push," *Asian Survey*, vol. 19, no. 1 (January, 1979), p. 52.

¹¹Young Ho Lee, "Military Balance and Peace in the Korean Peninsula," *Asian Survey*, vol. 21, no. 8 (August, 1981), pp. 852-64.

¹²On the evolution of Carter's plan for U.S. troop withdrawal from Korea, see Larry Niksch, "U.S. Troop withdrawal from South Korea: Past Shortcomings and Future Prospects," *Asian Survey*, vol. 21, no. 3 (March, 1981), pp. 325-41.

Korea needs to purchase technology from abroad. For this reason, North Korea has promoted foreign trade, increasing the volume of imported machinery and equipment from Japan and other Western countries, although its foreign trade is primarily with the Soviet bloc countries in East Europe and with China. To finance its purchase of technology and plants from abroad, it must increase its volume of exports. Most North Korean exports have been minerals, manufactured metal products and grain. The problem of balancing trade favorably led to a temporary default in 1975; North Korea's debts were estimated to be about \$2 billion in 1976. It subsequently rescheduled its debts, however, and it apparently continues to receive credits from Western countries, including Japan.

Another source of difficulty for the North Korean economy is the ever increasing ratio of military spending. North Korea maintains a huge military force; an estimated 15 percent to 20 percent of its GNP was spent on the military in the 1960's and an even higher percentage in the 1970's.¹¹ As long as military tension in the Korean Peninsula remains, the prospect that North Korea can cut its defense budget to invest in peaceful purposes is indeed slim. Since North Korea depends on the Soviet Union and China for the latest military weapons and fuel, it is doubly handicapped and dependent on the good graces of its erstwhile Communist allies.

PYONGYANG BETWEEN THE SUPERPOWERS

The presence of the United States troops in South Korea continues to be a matter of grave concern to North Korea. The cancellation of United States President Jimmy Carter's plan for United States troop withdrawals from South Korea by 1982, announced in early 1980, was obviously a serious blow to Pyongyang.¹² It represented a setback for Pyongyang's timetable for achieving the reunification of Korea, perhaps in the lifetime of President Kim Il Sung. To keep the reunification issue alive and to continue its offensive on the peace front, however, at the sixth KWP congress in October, 1980, President Kim revealed a more concrete plan for Korean reunification, in the form of the Democratic Confederal Republic of Koryo (DCRK) proposal.

Under the DCRK plan, Pyongyang proposes to establish "a unified national government" while leaving the present North and South Korea to exercise "regional autonomy" based on the principle of mutual tolerance of "each other's ideas and social systems." Although the confederation plan is not new, the 1980 version contains more specific ideas and concrete steps. These include the formation of (a) a supreme national confederal assembly, comprised of an equal number of representatives from the North and the South and an appropriate number of representatives of overseas nationals; (b) a standing committee of the assembly

that would guide the existing governments of North and South Korea and administer all affairs of the confederal state; and (c) the requirement that the confederal republic would be a neutral nation carrying out specific programs like the mutual reduction of troop levels, the abolition of the military demarcation line and military treaties already concluded by the respective Koreas.¹³

The Pyongyang leadership obviously attaches importance to reunification; it uses the theme of reunification whenever an occasion arises in its diplomatic dealings with other countries. The DCRK plan was subsequently defended by Pyongyang officials as "reasonable and realistic." But its implementation is unlikely, at least in the short run, as Pyongyang refuses to discuss the matter with the current government of President Chun Doo Hwan in South Korea on the ground that the Chun government is a "fascist military dictatorship" and that Chun is the "national traitor" who seeks to perpetuate the "two Koreas conspiracy." This self-righteous and inflexible attitude has prevented any progress in the dialogue on unification, and unification talks between Pyongyang and Seoul continue to be deadlocked.

Pyongyang obviously wants to improve its relations with the United States, but it has been unable to achieve a diplomatic breakthrough. When United States Congressman Stephen J. Solarz (D., N.Y.) was invited to visit North Korea in July, 1980, for instance, Kim Il Sung reportedly told the congressman that North Korea would favor "cultural and other kinds of exchanges with the United States" even in the absence of official diplomatic ties between the two countries. At this meeting, Kim also expressed his willingness to "trade with South Korea without preconditions" and declared that North Korea no longer insists that the anti-Communist law in South Korea be repealed as a precondition for the reunion of separated families and the exchange of mail.

North Korea also used Japanese sources to send its message to Washington. In September, 1980, Kim Il Sung reportedly told a visiting Japanese delegation, the Afro-Asian Study Group of the ruling Liberal Democratic party led by Jujii Katsushi, that North Korea was "prepared to cancel its defense treaties with the Soviet Union and China in exchange for a direct peace treaty with the U. S." During the presentation of his report to the sixth KWP congress in October, 1980, Kim Il Sung also proposed establishing normal relations with the United States, provided that the United States withdrew 40,000 troops from South Korea and did not obstruct the reunification of the Korean Peninsula. These well-timed comments (with the American presidential election campaign and South

Korea's political adjustment following the Kwangju Uprising of May, 1980) did not produce a favorable response from the United States.

With the decision of United States President Ronald Reagan to support President Chun Doo Hwan's government in South Korea early in 1981, the Pyongyang leadership appears to have abandoned for the time being any hope of resuming the inter-Korea dialogue and negotiations on unification. Also abandoned is the idea of bilateral talks on peace agreements with the United States without involving South Korea, an idea already dismissed by previous United States administrations.

North Korea is attempting to improve its trade ties with other Western countries, including Japan, and to strengthen its diplomatic relations with third world countries. On the matter of the Nonaligned Nations, to whose association it was admitted in 1976 at the Lima Conference, the Pyongyang government advocates anti-imperialism and independence, which it prefers to call "anti-dominationism." Like the anti-hegemonism of China, this policy of anti-dominationism, which Kim Il Sung expounded on September 9, 1978 (during his speech to commemorate the thirtieth anniversary of the founding of the DPRK), is intended to oppose great power chauvinism, whether American, Chinese or Soviet.

There is a continuous flow of visitors to North Korea from Japan, both government and private, including parliamentarians, businessmen, newspaper editors, cultural organization representatives. The volume of trade between North Korea and Japan has increased steadily in recent years. In spite of evolving economic ties and North Korea's need for a continuous supply of technology from Japan, no diplomatic normalization between North Korea and Japan is likely in the foreseeable future. The Pyongyang government objects to Japan's support of the South Korean government and insists on the abrogation of the Japan-Republic of Korea Treaty of 1965 (which established diplomatic relations between the two countries) as a precondition for the establishment of diplomatic relations with Japan. In view of the close tie between South Korea and Japan, however, the conservative government in Tokyo is unlikely to accede to Pyongyang's demand for the time being.

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Young Whan Kihl is a frequent contributor to scholarly journals. His most recent contributions on Korea appear in Kay Lawson, ed., *Political Parties and Linkage* (New Haven: Yale University Press, 1980), Raymond Hopkins et al., eds., *Food, Politics and Agricultural Development* (Boulder: Westview Press, 1979), and C. L. Kim, ed., *Political Participation in Korea* (New York: ABC-Clio, 1980). Kihl visited North Korea in the summer of 1981.

¹³Press release on Kim's report at the sixth KWP congress, October 10, 1980, by the DPRK Mission to the United Nations.

"... recognizing the strategic value of the Philippines and the need to protect its more than \$3 billion in economic investments there, the United States will try to maintain and nurture a Philippine leadership that it can influence."

The Philippines Under Marcos

BY BELINDA A. AQUINO

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AT the end of 1981, the Philippines was still being governed under the autocratic rule of Ferdinand Marcos, who imposed martial law in September, 1972. He lifted it in January, 1981, but this did not mean a return to democratic processes, because several amendments to the 1973 constitution secured for the most part during the 1976 and 1981 referenda enable Marcos to govern the country by personal decree. In June, 1981, he won another term as President in what was essentially a token election with no real opposition and proclaimed a "new republic" to replace the "new society" that he had mandated earlier. He also appointed his long-standing Finance Minister, Cesar Virata, as Prime Minister. Virata was quick to disavow any political ambitions and said that he does not see himself as a possible successor to Marcos.

After almost a decade of the Marcos dictatorship, what is happening in the Philippines? There are many dire predictions about the future of the country, including one that *Fortune* magazine called "a scenario of disruption." Marcos has claimed great achievements in the economy, particularly in increased gross national product (GNP), export production, foreign investments, self-sufficiency in rice, discovery of oil, construction of roads, expressways, bridges, hotels and other infrastructure facilities, land reform, tourism and communication. However, most indications, not only from critics of the regime but also from international institutions, characterize the performance of the economy as sluggish and dismal. Per capita income is \$450, which is much lower than that of its neighbor, Taiwan (\$1,180), and even lower than Papua New Guinea (\$480). The annual gross domestic product (GDP) growth rate averaged 6.7 percent for the 1972-1978 period but progressively declined to 6 percent in 1979 and 4.7 percent in 1980. Main contributors to the 1979 GDP were the service sector at 40 percent, industry (mostly from manufacturing and construc-

tion) at 36 percent, and agriculture at 24 percent. As in previous years, industry has not kept pace with an increasing labor force, estimated at about 700,000 new recruits a year. Agriculture, however, has seen some real growth at 5.3 percent in 1979, compared to 4.2 percent between 1967 and 1972.

The qualitative aspects of economic growth contradict much of the regime's rhetoric about economic achievement. Economic reality revolves around two stark phenomena, i.e., poverty and the increasing gap between rich and poor. Two institutions, the World Bank and the United States Agency for International Development (AID), have conducted recent studies on poverty and have reported alarming rates, particularly among landless agricultural workers, upland farmers, rice farmers and coastal fishermen. The AID study estimates that as many as 4 million households live below the poverty level. Assuming an average of 6.5 members per family, that accounts for more than half the total population. And this is only in rural areas. The urban poor, especially in Metropolitan Manila, is estimated to be 1.2 million, or about 25 percent of the total labor force. Altogether, the statistics designate about 75 percent of the 49 million population as poor. The AID study observed that "while the incidence of poverty may not have increased since 1971, there is ample evidence it has not declined."¹

The World Bank study used other indicators of poverty but the results are just as alarming. Rural poverty is reported at 47.5 percent. And urban poverty is rapidly escalating, increasing from 15.3 percent in pre-martial law days to 30.9 percent in Manila and from 29.1 percent to 45.6 percent in other urban areas. The study found that poverty declined during the 1957-1965 period, and leveled off in 1965-1971.² Thus the Marcos years have given rise to a rapid rise in the incidence of poverty. In Manila, the contrast between the opulence of the few in enclaves like Makati and the poverty of millions in places like Tondo and Tatalon Estate is stark. Poverty in the Philippines is not just a matter of living below an income line; it is a combination of hunger to the point of starvation, squalor, filth, lack of rudimentary social services, and hopelessness. Malnutrition, tuberculosis, gastrointestinal

¹Agency for International Development, *Philippines: Country Development Strategy Statement, FY 1983* (Washington, D.C.: Government Printing Office, January, 1981).

²World Bank, *Aspects of Poverty in the Philippines: A Review and Assessment*, Report no. 2984 (Washington, D.C.: International Bank for Reconstruction and Development, 1980).

and respiratory diseases, substandard housing, an inability to secure further schooling, and other ills are widespread among the rural and urban poor.

The regime has also displaced thousands of tribal Filipinos from their ancestral lands and homes, as in Kalinga-Apayao, by aggressively promoting "development" projects in cooperation with multinational corporations and international financial institutions. Native Filipinos in Abra, Bukidnon, Davao, Cotabato and in the mountain provinces are being forced to "integrate with the larger society" and accept the regime's version of "development," which is not compatible with their ethnic and ancestral heritage.

The larger economic picture also shows a malaise that may be approaching crisis proportions. The country's foreign debt reached \$13.8 billion in June, 1981, compared to \$12.7 billion in 1980, and export production dropped in 1981 to \$2.3 billion from \$2.4 billion in 1980. The government has had to rely on heavy foreign borrowing to finance the regime's ambitious capital intensive industrial projects, such as an integrated steel mill, fertilizer plants, copper smelter plants and other schemes estimated to cost \$6 billion. The President's wife, Imelda Romualdez Marcos, is known for her extravagance; she has caused the construction of such massive structures as the Cultural Center of the Philippines, the Philippine International Convention Center, the Philippine Heart Center, and an almost \$2-million guesthouse for Pope John Paul II's visit in 1981. The building of another huge auditorium for the January, 1982, international film festival was her latest expensive showcase piece.

Many reasons have been advanced for the poor economic performance of the Marcos regime. Beyond the first lady, there is a larger network of first family friends and relatives that has spawned corruption and scandal. Three presidential cronies who head up major economic enterprises—Rodolfo Cuénca (construction), Ricardo Silverio (the automobile industry) and Herminio Disini (corporation conglomerates)—have had to be rescued from bankruptcy by the Philippine government.

THE CURRENT POLITICAL SITUATION

Despite widespread economic troubles, Marcos has shown a persistent capacity for staying in power. He has shown great skill in manipulating the political process to suit his purposes. His renewed mandate in 1981 will carry him through 1987 and possibly beyond. But there are persistent reports about his failing health, and with the failing economy, Marcos may not be so formidable. His inability to deliver real economic benefits, his continued political repression, and uncontrolled corruption and abuse in high places are expected to generate intensified opposition.

The so-called bourgeois or elite opposition consists of former political leaders who still have strong pop-

ular followings, like former Senators Benigno Aquino, Jovito Salonga, Lorenzo Tañada, Gerardo Roxas, Salvador Laurel, Raul Manglapus and others who operate above ground either in the Philippines or abroad. Most opposition leaders speak out on their own although others have tried to organize political groups like the National Union for Democracy and Freedom (NUDF), *Laban* (Fight) and the United Democratic Opposition (UNIDO). The most recent organization to emerge is the Social Democratic party of the Philippines (SDPP) formed in December, 1981, to build a unified opposition to the 17-year old rule of President Ferdinand Marcos.

One troubling aspect about the bourgeois opposition is its lack of credibility among Filipinos, who associate it with the old elite structure that has perpetuated inequality in Philippine society. The opposition openly acknowledges that if the excesses of the Marcos regime continue, Filipinos will be pushed to violence and chaos. A prominent leader of the group, Aquino, who is currently living in exile in the United States at Harvard University, concedes that moderate opposition has not worked against Marcos and says that continuing United States support to the regime has eroded the efforts of the legal opposition to achieve peaceful change.

More radical opposition to Marcos comes from left-of-center groups like the National Democratic Front (NDF), which counts as its greatest supporters the Communist party of the Philippines (CPP) and its military arm, the New People's Army (NPA). More popularly known as "Natdems" (as opposed to the more moderate Social Democrats, called "Socdems"), the NDF opposition groups have proposed a ten-point program as an alternative to the regime. This program calls for an end to United States imperialism and United States support for the Marcos dictatorship and the establishment of a "truly democratic system of representation" that will lead to a coalition government. The Natdems are also committed to a genuine land reform program and support the democratic rights of all Filipinos, including the struggles of the Muslim and other minorities for self-determination. Because the regime has outlawed "subversive" organizations like NDF and CPP, the Natdems must operate underground.

The top leaders of the CPP are in prison awaiting a trial that may never be scheduled, or one that will sentence them to death or put them in prison for a long time. But since 1969, the NPA has grown from a band of 60 people to a force of between 5,000 and 7,000 guerrillas, committed to armed struggle and with formidable strength in places like Samar, Davao, Bicol and the Cagayan Valley. NPA guerrillas are reported to be concentrating on cadre training for villagers on topics like class exploitation, equality, justice and human rights, instead of engaging the govern-

ment in combat. The NPA is reportedly operating in 29 out of 75 provinces and is regarded as the only flourishing Communist insurgency group in Southeast Asia today.

The Moro National Liberation Front (MNLF), which is directed from Libya by Nur Misuari, has also been one of Marcos's major headaches over the past eight years. MNLF's major objective is to protect Muslim rights and guarantee Muslim autonomy from the Marcos government. Much of the fighting in Mindanao and Sulu has been directed by the military against the "rebels"; there are reports that the army has infiltrated organizations like Rock Christ, the Four K's, and the *Haring Gahum* sect to deal with NPA and its supporters in Mindanao. In October, 1981, hundreds of families in northwestern Mindanao fled their homes after a series of brutal killings attributed to these "religious fanatics."

Like the NPA, MNLF believes in armed resistance and there are indications that the two groups may have developed a working alliance in spite of ideological differences. Misuari has reportedly suggested that Muslims and Communists carve out different "areas of influence" and divert government forces by hit-and-run tactics. He has appealed to the International Islamic Conference to give its full support to MNLF's struggle to see a "Bangsamoro Republic as a free, sovereign and independent state—distinct and separate from other nations of the world, most particularly the Philippine colonial government." This, of course, translates into secession from the Philippine Republic by Mindanao, Basilan, Sulu (including Tawi-tawi) and Palawan, collectively called the Bangsamoro Homeland by Misuari. There is apparently no way to resolve this issue, because Marcos has indicated that secession is not negotiable. In the meantime, instances of military abuse continue to be reported by the underground press and international news agencies.

Considerable opposition to the Marcos regime also comes from various concerned church groups, mostly Catholic, including the Association of Major Religious Superiors of the Philippines (AMRSP) composed of priests, nuns, religious leaders and lay individuals. They have documented and exposed gross violations of human rights by the military and have detailed social and economic conditions in studies that are either suppressed or unreported by the government-controlled media; they conduct social programs for the urban poor and provide financial and other types of assistance to families of political prisoners. Occasionally, the Conference of Bishops will issue an encyclical expressing disagreement with policies of the regime. Even the moderate Jaime Cardinal Sin has, on several occasions, spoken out against the regime's

human rights violations. The more radical of these Christian groups have expressed support for the New People's Army's objectives and activities. On the whole, however, the Catholic Church is still a very conservative institution and has, at best, indicated a policy of neutrality or "critical collaboration" with the regime. Other major churches, like the *Aglipayan* and *Iglesia ni Kristo*, have shown either active support for or neutrality toward the regime.

There are significant smaller groups or movements that have surfaced particularly in the last two years. These include two "quixotic" groups of urban professionals, the April 6 Movement and Light-a-Fire, which resorted to arson, bombings and other violent activities in the Manila area in the last six months of 1980. One bomb exploded within 50 yards of an embarrassed Marcos as he was speaking to an international conference of travel agents. Another group, the *Kilusang Mayo Uno* (May First Movement) reports a following of one million, mostly labor, and conducted demonstrations in Metropolitan Manila in late 1981.

Urban intellectuals and student activists were also back on the streets in 1981, after eight years of silence. They protested the continuing repression, the worsening economic situation, increasing militarization, rising tuition fees, lack of press and other freedoms and the Education Act of 1980. (The Education Act centralized the entire school system, including the activist University of the Philippines and other state-run colleges and universities, under the Ministry of Education and Culture. In reality, it was meant to clamp down on resurgent student activism and criticism against the regime.) From July 29 to October 7, 1981, an estimated 200,000 college and university students participated in protest activities in Manila, Cebu, Davao, Baguio, Cabanatuan and other cities.

One of the key political developments in the last 10 years is the tremendous increase in the size and function of the military establishment. There are 112,800 in the armed forces, broken down into the following: army (70,000 and 96,000 reserves), navy (26,000 and 12,000 reserves), and air force (16,800 and 16,000 reserves).³ These figures are almost double the pre-martial-law armed forces strength of 60,000. In addition, paramilitary forces number 78,500, composed of the Philippine Constabulary (43,500) and 35,000 local self-defense forces, bringing the total armed strength to nearly 200,000. Thus, the government must devote at least 20 percent of the national budget to defense. Increasing militarization is also evidenced by the provision of basic and advanced training to civilians to form the "barangay brigades," a kind of citizens' army. By 1979, some 400,000 Filipinos had received this training; the regime's goal is 1 million.

With an increase in army size comes a growing politicization, including an alleged power struggle between two of Marcos's loyalist generals who are both

³Far Eastern Economic Review, "Philippines," in *Asia Yearbook* (New York: Barron's, 1980, 1981 and 1982).

Ilokano and relatives, Fabian Ver and Fidel Ramos. Ramos is favored by a large pro-United States bloc in Marcos's Cabinet (including Prime Minister Virata) and is reported to have strong United States connections. On the other hand, Ver appears to command more confidence from Marcos and from the reservists and ROTC ranks. Ver is concurrently head of both the National Intelligence and Security Agency (NISA) and the Presidential Security Command (PSC). As commander of the PSC, Ver is reported to have frustrated several presidential assassination attempts; this may explain why he enjoys Marcos's confidence. On July 31, 1981, Marcos ended all speculation about politics in the military by appointing Ver as armed forces chief of staff and Ramos as vice chief of staff; Ramos remains head of the Philippine Constabulary and the Integrated National Police.

There is increasing speculation about what the military will do in the event that Marcos is eventually removed from office or proves unable to govern. The possibility of a military takeover is, of course, possible, and in that event, either Ver or Ramos will undoubtedly play a key role in the transition to a post-Marcos Philippines. Another theory postulates that powerful factions in the military will throw in their lot with contending civilian political figures, like Defense Minister Juan Ponce Enrile and, possibly, Aquino. There are sources that acknowledge the possibility of an Imelda Marcos power grab but are quick to say that "the military won't allow it." There is almost a consensus that the future of Philippine politics will depend on the military. While there is no doubt that the military will be crucial to the future Philippine power equation, it is likely that the United States will play an equally crucial role.

SUPERPOWER POLITICS IN ASIA

The military and economic relationship between the United States and the Philippines underscores the strategic importance of the Philippines in the changing superpower climate in Asia. With the election of United States President Ronald Reagan, United States policy in Asia once again assumed a very tough anti-Communist posture, which would make it imperative for the United States to maintain a strong military presence in Asia. Currently the United States operates 22 military bases in the Philippines, including Clark Air Force Base and Subic Bay Naval Base, which have served as major springboards for United States intervention in Korea, Vietnam, Cambodia, Indonesia, and other places. The bases are considered crucial for resupply, evacuation, and even combat not only in Asia but in the Middle East and Africa as well. It is believed

⁴See Richard J. Kessler, "Marcos No Shah . . .," *The Asian Wall Street Journal*, November 27, 1980, p. 4.

⁵"Haig Cements P.I. Relations," *Honolulu Star Bulletin*, May 18, 1981.

that within 24 hours, Clark Air Base engineers can set up an airstrip as far away as West Africa. There are 17,000 United States troops permanently stationed in the Philippines. During the Iran-Iraq confrontation in 1980, United States aircraft carriers were dispatched to the Persian Gulf from Subic Bay.

Richard Holbrooke, United States Assistant Secretary of State for East Asia under the administration of United States President Jimmy Carter, summarized the geopolitical importance of the Philippines in these words:

Without bases in the Western Pacific, and more importantly, without the friendship, close ties, and security relationships we maintain in Asia, our ability to support American interest in the Indian Ocean would be significantly limited.⁴

Philippine-United States relations were strengthened during the Carter administration with the signing of a new military bases agreement in January, 1979, that guaranteed to the Philippine government \$500 million worth of military assistance, foreign military sales credits, and security support to counter local insurgency over the next five years. In return, the Philippines agreed to guarantee the United States "unhampered military operations" from its Clark and Subic facilities.

The agreement will be reviewed in 1983 and there is no doubt that the Reagan administration will give even stronger support to Marcos. In June, 1981, United States Secretary of State Alexander Haig Jr. told Marcos:

You can indeed be confident that there is a new America, an America that understands that it must once again bear its burdens that history has placed on our shoulder, to lead and to shore up where necessary those endangered in the front lines of the great risks we face today.⁵

Haig was touring Asia and meeting with officials of the Association of Southeast Asian Nations (ASEAN), of which the Philippines is a leading member. In July, 1981, United States Vice President George Bush was even more lavish in his reassurance and praise for Marcos, publicly stating that the United States loves "Marcos's adherence to democratic principles and to the democratic process." This comment caused an international uproar, especially from Marcos's opponents living in the United States.

Not much has been said of the current position of China regarding the presence of United States military bases on Philippine soil. But given the continued confrontation between China and the Soviet Union and China's desire to prevent Soviet expansion in Asia, particularly through Vietnam, it is logical to assume that China now wants the United States bases to remain in

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"... in light of the increasing military strength of China and the growing Soviet presence in the Western Pacific, it would seem circumspect for the United States to continue to supply Taiwan with sufficient defensive weaponry," notes this specialist, who concludes that "although the strategic significance of Taiwan vis-à-vis the superpowers has declined since the 1950's, Taiwan will continue to play an important role in the Western Pacific."

Taiwan's Role in the Western Pacific

BY LEO YUEH-YUN LIU

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SINCE 1949, the home of the "Republic of China" (ROC), known today as Taiwan, has been the island of Taiwan and several very small islands, including Penghu (Pescadores), Matsu and Quemoy.* Taiwan and Penghu are separated from the Chinese mainland by the Taiwan Straits, a 161-kilometer wide channel. The island of Taiwan covers an area of 36,000-square kilometers and has a population of over 17 million.

Taiwan, which is lacking in almost all major natural resources, has over the last 30 years achieved a degree of economic development that is often described as an "economic miracle." These economic achievements have no doubt contributed to the political stability of Taiwan; there have been no serious political upheavals since the Nationalist government of the ROC retreated to Taiwan in 1949.

Taiwan's first four year plan, launched in 1953, sparked the rapid economic growth that has continued almost unabated. In terms of increased gross national product (GNP), Taiwan's economic growth rate averaged 10 percent annually from 1969 to 1979. However, in 1980 its GNP declined to 6.7 percent; the overall growth of 1981 was 5.5 percent. Still, Taiwan has fared better than both the highly industrialized and the developing countries, which have average annual growth rates of 3 and 4.1 percent respectively. For 1982, the government predicts Taiwan's economic growth rate will be between 6.5 and 7 percent.¹

Two factors are crucial to the stability of Taiwan's economy. The first is foreign trade. Exports account for 50 to 55 percent of Taiwan's GNP and its industrial and manufacturing sectors depend on the export mar-

ket. Except for the 1973-1974 period of worldwide recession, Taiwan has enjoyed a trade surplus. But since Taiwan depends on United States and Japanese markets for 50 percent of its exports, its trade surplus may fluctuate according to the demands of these major markets. Thus Taiwan's trade surplus fell to \$46 million in 1980. But the director general of the budget recently predicted that by the end of 1981 the trade surplus would total \$128 million.

The other factor crucial to the stability of Taiwan's economy is its ability to maintain a balanced budget. From 1965 to 1980, Taiwan had a budget surplus in each fiscal year. However, in the 1981 fiscal year (July 1, 1980, to June 30, 1981) Taiwan experienced its first budget deficit, approximately \$250 million to \$300 million. The 1981-1982 budget announced by the government in early 1981 anticipates a deficit of \$874 million, nearly 10 percent of the total expenditure. The high cost of imported oil, which accounts for one-half of the country's consumption of commercial energy, is one of the major reasons for the deficit. (Recently, Premier Sun Yun-suan visited Indonesia to secure a reliable and speedy supply of oil in case of need.)

But the high cost of imported oil is not Taiwan's only economic problem; Taiwan confronts other economic difficulties common to many developing countries, including labor's demands for higher wages, a tight labor market, and a shortage of capital. As Wei Wau, an adviser to Taiwan's Ministry of Economic Affairs, has observed, Taiwan no longer enjoys the privileges of underdeveloped economies, like intensive labor; but at the same time, it does not yet have the advantages of developed countries, like high productivity. Today, Taiwan is caught in a transitional period between labor-intensive and capital-intensive industry. Its loss of membership in the International Monetary Fund and the World Bank, plus the worldwide recession, have compounded the country's economic difficulties.

Still, there is room for optimism. The inflation rate, which soared to 20 percent in 1980 (from 10 percent

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¹China News (Taipei), December 25, 1981; see also Free China Review (Taipei), November, 1981, p. 36; some statistics cited in this section came from Economic Development (Taipei: Council for Economic Planning & Development, May, 1980), pp. 6-7; and Industry of Free China (Taipei), September, 1981, pp. 190-97.

annual increases from 1971 to 1979), fell to 12 percent in 1981, and the same rate is projected for 1982.² Further, Taiwan's economic growth has increased per capita income from a subsistence level in the early 1950's to nearly \$1,900 in 1980. The distribution of income in Taiwan has also steadily improved. The ratio of per capita income between the top 20 percent and the bottom 20 percent of the population has been narrowed from 15 to 1 in 1952 to 4.17 to 1 in 1980. At the same time, Taiwan's unemployment rate was as low as 1.25 percent in 1980, the same as in previous years. From 1953 to 1980 Taiwan had the highest rate of national savings in the world, accounting for 30 percent of its annual GNP.³

Since the 1970's, Taiwan has launched two major economic projects. In the 1970's, the "Ten Major Development Projects" were completed; they included the south-north link railway, an impressive international airport, and two ports at a combined cost of \$7.5 billion. In 1979, the government launched "the Twelve New Projects" (including new cross-island highways), which will cost at least \$5.2 billion when completed in 1985. All these major projects are essential to Taiwan's development and economic growth; but more important, they have "become an article of faith in the government's economic creed."⁴

Generally speaking, the government is optimistic about Taiwan's economic future. It projected in December, 1981, that for the next four years, the annual growth rate would reach an average of 8 percent. It also projects that by 1985 Taiwan's exports and imports will both grow by 11 percent annually.⁵

POLITICAL STABILITY

Taiwan's economic success has no doubt contributed to its political stability in recent years. As a staff report prepared in June, 1980, for the United States Senate Committee on Foreign Relations pointed out,

most people [in Taiwan] above all, desire stability and continued economic prosperity. They give credit to the KMT [the ruling Nationalist Chinese party] for achieving sustained economic growth for almost 20 years and the much improved standard of living.⁶

Nevertheless, Taiwan remains a one-party state;

²For detail on surplus, see *China News*, September 25, 1981; for Indonesia oil, see *Central Daily* (Taipei), December 12, 1981; for budget estimates, see *Far Eastern Economic Review (FEER)*, May 8, 1981, p. 48 and August 21, 1981, p. 43. For background information, see *Taiwan: One Year After United States-China Normalization* (Washington, D.C.: U.S. Government Printing Office, 1980), p. 74.

³For figures on saving, see *Central Daily*, December 20, 1981; for information on income distribution, see *Free China Review*, November, 1981, p. 33, and *China News*, September 20, 1981; see also *Economic Development*, pp. 45-46.

⁴FEER, August 21, 1981, p. 44.

⁵*China News*, December 19, 1981.

⁶*Implementation of the Taiwan Relations Act: The First Year*, a staff report to the Senate Committee of Foreign Relations, pp. 14-15 (Washington, D.C.: GPO, 1980).

there are no organized opposition parties that could challenge the ruling KMT effectively. The two "official opposition parties," namely, the Chinese Youth party and the Democratic Socialist party, have a combined membership of less than 15,000 persons, and have little impact in Taiwan's politics. In a recent election held in November, 1981, out of a total of more than 400 candidates, the Chinese Youth party fielded only four candidates and the Democratic Socialist party, only one. Moreover, none of these five candidates was elected.

In recent years, the KMT has expanded the scope of Taiwan's general elections. By 1981, general elections were extended to the three most powerful national government bodies, the National Representative Assembly (for the election of the President), the Legislative Yuan (the highest legislative body), and the Control Yuan (the powerful watchdog for all other government bodies). In the election of December, 1980, 170 seats were filled in the Legislative Yuan and the National Representative Assembly. Nevertheless, the KMT still dominated the election, winning 82 percent of the contested seats.

An election held November 4, 1981, was also won by the KMT. In this election, 19 mayors and county magistrates, 77 members of the Taiwan Provincial Legislative Assembly, 51 members of the Taipei City Council and 42 members of the Kaohsiung City Council were reelected. The election turnout was impressive; 72 percent of the 10 million eligible voters cast ballots, compared with 65 percent in the 1980 election. The ruling KMT won 76 percent of the contested seats.

In spite of its overwhelming electoral victories, the KMT faces two major political problems. The first of these is the problem of leadership succession. At 72, President Chiang Ching-kuo must soon choose a successor. But few of Taiwan's present leaders have the experience, prestige, political base and military support required. Vice President Shih Tung-min could at best serve only as a political figurehead. A leadership vacuum could be damaging to Taiwan's political and economic stability. But there is no quick solution to this problem.

The second factor is the demand for broader political participation by the "Taiwanese." The distinction between the "Taiwanese" and the "mainlanders" or "non-Taiwanese" is artificial, because both groups originally came from China. The Taiwanese are those people whose ancestors migrated to the island long before Japan returned Taiwan to China in 1946, while the mainlanders are those Chinese whose families moved to Taiwan from mainland China after 1946. More than 85 percent of the Chinese in Taiwan could be labeled Taiwanese, but after 30 years of intermarriage and assimilation, the distinction is gradually disappearing.

Nevertheless, some Taiwanese maintain that the KMT is still dominated by mainlanders. The anti-government riot in Kaohsiung in December, 1979, was a reminder of the potentially dangerous tension existing between the two "groups" of people.

To prevent an explosive situation, in recent years the KMT has accelerated its efforts to recruit more Taiwanese into the higher echelons of the government and party apparatus. Seventy percent of the KMT membership and the local organizers are now Taiwanese, and at the upper echelon, one-third of the membership of the powerful KMT standing committee is Taiwanese. In November, 1981, after a Cabinet shuffle, 13 of the 17 provincial ministers were Taiwanese. Several key positions, including the Vice Premier, the mayor of Taipei, the Minister of the Interior and the Minister of Communications, and the governor of Taiwan, are filled by Taiwanese. More significant, General Chen Shu-san, the highest ranking Taiwanese officer, has been promoted and is now commander in chief of the Taiwan Military Garrison.

Equally important, since 1977, the number of "non-KMT" or "independent" (hereafter, Tangwai) candidates has increased considerably in both local and provincial elections. And for the first time, Tangwai candidates have shown an ability to coordinate their campaign activities. After the election of December, 1980, the Tangwai leaders and candidates seemed pleased. An article in the *Far East Economic Review* reported that reaction to the results of the December, 1980, election were positive. Foreign diplomats observed that the results supported President Chiang's earlier commitment to present a new KMT image to the voters. Although the campaign was run under the tight surveillance of the KMT and although some Tangwai candidates offered some complaints, Tangwai leaders, like Kang Ning-hsing were (according to the same article) satisfied with the way the election was handled.⁷

The results of the November 4, 1981, election were equally encouraging. The *Far Eastern Economic Review* reported that after the election the Tangwai candidates "expressed satisfaction with the fairness of the polling." No reports of political intimidation were heard.⁸ Thus as long as the present democratization trend, slow as it may be, continues, and as long as

⁷For comments, see *FEER*, December 12, 1980, p. 8; for election results, see *Free China Weekly* (Taipei), December 14, 1980.

⁸For comments, see *FEER*, November 20, 1981, p. 10; for election results, see *Free China Weekly*, November 22, 1981.

⁹U. S. Congress, Senate Committee on Foreign Relations, *United States Relations with the People's Republic of China*, 92d Congress, 1st sess., June 24, 25, 28, and 29, and July 20, 1971 (Washington, D.C.: GPO), p. 378.

¹⁰*Ibid.*, p. 548; see also a report prepared by Mike Mansfield, *China Enters the Post-Mao Era* (Washington, D.C.: GPO, 1976), p. 5.

Tangwai leaders can coordinate their campaign activities, Tangwai forces may gradually become a de facto opposition party in Taiwan.

Because of Taiwan's internal stability, any future political disruptions will probably be rooted in international, not domestic, developments. Particularly important to Taiwan in this respect is the nature of United States-Taiwan relations. Also crucial is the nature of the future Sino-American relationship. All these will in turn be decided by the United States strategy in the Western Pacific.

TAIWAN AND U.S. STRATEGY

As Sino-Soviet relations shifted in the Western Pacific, United States policy toward Taiwan changed. When the Nationalist Chinese government retreated to Taiwan from mainland China in 1949, the United States responded by denouncing the government and disassociating itself from Taiwan. When North Korea invaded South Korea in June, 1950, the United States reversed its policy on Taiwan, convinced that a worldwide Communist expansion was under way. On June 27, President Harry Truman warned that a Communist takeover of Taiwan would be a direct threat to the security of the Pacific area and to United States forces there. In November, the Chinese Communists intervened in the Korean war, and President Truman reaffirmed his commitment; the Seventh Fleet would protect the security of Taiwan.

In late January, 1955, President Dwight D. Eisenhower requested and received congressional approval to employ the armed forces of the United States "as he deemed necessary" to defend Taiwan. On February 9, the Mutual Defense Treaty between the United States and Taiwan was approved by the United States Senate. The justification for the Treaty was stated as follows:

Taiwan formed an integral part of the defense littoral extending from the Aleutians to the Philippines from which a decisive degree of control of military operations along the periphery of East Asia could be exercised. In unfriendly hands, Taiwan would pose a substantial danger to the other parts of the southern half of this littoral—the Ryukyus and the Philippines.⁹

At the same time, a United States-sponsored Western Pacific security system was established with Japan, South Korea and most other anti-Communist Asian countries to contain international communism in the area. At that time, it was widely believed in the United States that if the United States allowed any link in the island chain (which included South Korea, the Philippines, Taiwan and Japan) to be broken by the Communists, the remaining links would inevitably go. Both United States Secretary of State John Foster Dulles and General Douglas MacArthur supported this argument.¹⁰

United States policy on Taiwan changed once again,

however, as Sino-Soviet relations began to deteriorate after 1958, especially after a series of violent Sino-Soviet border incidents in 1969. Apparently, the United States decided to take the opportunity to improve its relations with China. In a speech in Guam in 1969, United States President Richard M. Nixon announced that as a result of a strategic reassessment of United States policy in Asia, countries in the area would be asked to assume more responsibility for their own defense. This statement was followed by the ambiguous 1972 Shanghai Communiqué between China and the United States, which led both governments to pledge themselves to "normalize" relations. The United States defeat in Vietnam and the Communist North Vietnamese takeover of South Vietnam in April, 1976, confirmed the United States decision to keep its ground troops out of Asia. On March 9, 1977, President Jimmy Carter announced the gradual withdrawal of United States troops from South Korea, and it became obvious that the United States was disengaging from Asia.

Shortly after the United States recognition of China in January, 1979, Taiwan's President Chiang Ching-kuo warned that if the United States continued to reduce its military presence in Asia and weakened its strategic position in the Western Pacific, the damage to the security of countries in the region would be more serious than the Communist takeover of South Vietnam.

The continuing increase of Soviet military power in the Western Pacific and the pressure from many Asian countries, including Japan and South Korea, finally persuaded the Carter administration to reverse its decision. On July 20, 1979, President Carter announced that further troop withdrawal from South Korea would be postponed until at least 1981.

The administration of United States President Ronald Reagan has continued this policy almost unchanged. Michael Armacost, Acting Assistant Secretary of Defense for East Asia and Pacific Affairs, stated on March 23, 1981, that in view of the Soviet military and naval power in the region, "a sound strategic posture in East Asia and the Pacific is an essential element of our global strength." General David Jones, chairman of the United States Joint Chiefs of Staff, has observed that the security of South Korea is also regarded as a vital element of United States policy in Asia, and therefore no more troop withdrawals are expected. Japan remains a key to United States secu-

¹¹For these statements, see *U.S. Military Posture for FY 1981* (Washington, D.C.: GPO, 1981), p. 3; and *U.S. Military Posture for FY 1982*, p. 14; see also *Department of State Bulletin*, May, 1981, pp. 26-27.

¹²*Beijing Review*, September 14, 1981, p. 24; and *Xinhua Weekly*, no. 644, June 18, 1981, p. 3.

¹³"On the U.S.-Taiwan Relations Act," reprinted in *Beijing Review*, September 7, 1981.

rity policy because its bases and facilities are essential to the support of the United States military posture in the Western Pacific. The security of the Philippines is equally important because of the strategic significance of its Subic Bay and Clark Air Force bases.¹¹

However, Taiwan's strategic significance remains unrecognized. To the United States, China is strategically more important and significant than Taiwan in containing the expansion of the Soviet Union in the Western Pacific. China has kept an estimated one million Soviet troops occupied along the border; a "strong and friendly" China is therefore in the national interest of the United States. China's reactions to United States policy are positive. Huang Hua, China's Foreign Minister, said that "China attaches importance to the strategic relationship with the United States." The United States presence in South Korea and Japan is now also in the interest of China.¹² However, if the United States continues to pursue its present policy on China, there will be further strains in United States-Soviet relations. Tension between the two superpowers will make progress in strategic arms limitation talks more difficult.

THE TAIWAN STRAITS

Another potential danger in the close Sino-American relations is the increase of tension in the Taiwan Straits. Current United States policy calls for the sale of arms to both Taiwan and China. But both have engaged in military and political confrontations in the straits since 1949. Although China has called for the "peaceful unification of China," it has warned that if Taiwan persistently refuses to negotiate, Beijing might resort to force to achieve unification. Chinese leaders recently denounced the provision in the Taiwan Relations Act of April, 1979, that stipulates that the United States would

consider any effort to determine the future of Taiwan by other than peaceful means, including boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States itself.

According to the Communist Chinese, it is entirely an internal affair to decide "which way Taiwan will return to the motherland."¹³

It is highly unlikely that China will invade Taiwan within the next five years, but many United States officials are still concerned about such a contingency. Deputy Secretary of State Warren Christopher, for instance, stated that if China were to take an offensive

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"There has been discussion, of late, of a new independence in Japanese foreign policy and the possibility that in the next decade Japan will become the 'France of Asia' . . . [Nonetheless] the success and prosperity of Japan since World War II is strong evidence to its leaders of the wisdom of the policy principles that have guided them in the recent past. . . ."

Japan in the World of the 1980's

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JAPAN'S international posture in the 1980's can be understood as a reflection of its leaders' continuing attempt to deal with a single central paradox: that their nation's greatest source of strength is also the source of its greatest vulnerability. That strength, of course, is economic. Building from the ruins of defeat after World War II, by 1968 the Japanese had created the second largest free market economy in the world. More easily overcoming such severe economic setbacks as the 1973 "oil shock" than other industrial nations, Japan in the 1970's and early 1980's achieved a rate of economic growth that may allow its per capita gross national product (GNP) to overtake that of the United States by 1990. Indeed, modern Japanese enterprise is now providing a model in many sectors for the developed economies of the West, after which it itself was fashioned.

This economic success, however, is as fragile as it is fabulous. Always dependent on foreign nations for essential energy, foodstuffs and industrial raw materials, Japan's vulnerability has increased as international trade has become more central to its economic well-being. Traditionally, economic growth in Japan was supported by the expansion of both domestic and international markets. Thus, during the 10-year period between 1969 and 1978, exports increased in value by a multiple of six, to \$97.5 billion, but remained only about 10 percent of GNP. Recently, however, the vitality of the domestic economy has lagged. In the last two years, real economic growth in Japan has been lower than government expectations and has been entirely dependent on expanding exports.

A few statistics highlight Japan's trade dependence. In 1980, 87 percent of the nation's energy sources were imported (and virtually all its oil) at a cost of \$55 billion, about half the total value of all imports. In recent years as well, the Japanese have purchased overseas all their cotton, wool, bauxite and nickel, more than 90 percent of their iron and copper ore, and more than half their wood and wood pulp. In addition, about one-fourth of the nation's food requirements are now met from abroad, as increased

affluence has developed tastes in Japan for such less traditional foods like beef and wheat-based products. In the 1980's Japan has indeed become the workshop of the world, but it also may be viewed as a perpetual motion machine, fed by ever increasing levels of imports and forced to produce ever rising levels of exports in order to generate growth and continued prosperity.

For a nation in these circumstances, it is clear that "national security" will be defined differently than it is in the United States. In Japan, economic and political issues are not separable and political steps are not taken without careful consideration of their economic consequences. A military establishment may not be the best way to assure "security." Despite its proximity to the Soviet Union and China, and perhaps in part because it is an island nation, Japan's foreign policies are not driven by an overwhelming feeling of physical threat. Rather, the leaders of this mercantile nation see real security as deriving from maintaining the system and the ideology of free trade, diversifying markets and sources of essential raw materials and helping to avoid international conflict that disrupts commerce.

Japan's pursuit of these goals, however, must take place in an international context, defined by others in the wake of World War II, that constrains efforts to achieve them. This context includes very close ties to the United States, the conquering power in that war and a dominant force in the postwar world that has defined "security" very differently. In turn, a major corollary of the close United States-Japan relationship is an adversarial quality in Japan's relations with the Soviet Union, a quality that is reinforced by historic rivalries and the continued Soviet occupation of the Kuril Islands, Japan's northern territories. Finally, Japan has had to overcome the hostility and suspicion of its Asian neighbors, a suspicion rooted in the wartime experience of Japanese aggression and occupation.

The experience of World War II for the Japanese people and the domestic political system created in the wake of the war also limit the means available for the

pursuit of foreign policy goals. Certain of these limitations are unique to Japan. One is the well-known "atomic allergy," developed because the atom bomb was dropped on Japan. Another is the unique provision in the Japanese constitution, written under American tutelage, which renounces "war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes," and limits the maintenance of armed forces. Other limitations are those basic to democratic societies with parliamentary systems of government. These include, for example, conflicting priorities and ideological positions in groups, parties, and factions within the dominant Liberal Democratic party (LDP) and the vigorous watchdog role played by a free and competitive press. Even among those elite bureaucrats in major ministries who share an understanding of Japan's basic foreign policy goals, significant differences remain over appropriate means to these ends.

THE AMERICAN RELATIONSHIP

The spring of 1981 was not conducive to friendly Japanese-American relations. In one incident, the atomic-powered submarine *George Washington* collided with and sank the *Nissan Maru*, a Japanese merchant ship, and failed to remain on the scene to rescue survivors. Two Japanese sailors died. In another incident, United States naval vessels on joint exercises with the Japanese navy in the Sea of Japan damaged nets and fishing equipment in an area known to be heavily fished during that season. Although apologies were made and compensation was paid in both instances, these mishaps dredged up old memories about negative American attitudes about the value of oriental lives and property.

But two other incidents in the same season were more important for an understanding of Japanese foreign policy. One stemmed from the joint communiqué issued after the meeting between United States President Ronald Reagan and Japanese Prime Minister Zenko Suzuki in Washington, D.C., on May 8, 1981. The communiqué referred to the "alliance" between the United States and Japan in a context interpreted by the Japanese press to imply increased military cooperation. As a result of the uproar that followed, Foreign Minister Masayoshi Ito, who was held responsible by Suzuki for the wording of the communiqué, was forced from the Cabinet.

That same month in an interview with a Tokyo newspaper, former United States Ambassador to Japan Edwin O. Reischauer revealed a 21-year-old "oral agreement" which permitted United States warships to carry nuclear weapons into and out of Japanese waters. Opposition party leaders had long asserted and Japanese and American officials had systematically denied the existence of such an agreement, which violated the "three non-nuclear principles": that Japan

not make, possess or allow the introduction of such weapons into its territory. As might be imagined, the reaction in Japan over Reischauer's revelation, coming on the heels of these other incidents, was considerable. The Tokyo stock market fell precipitously: the survival of the Suzuki government appeared, for a time, in question; and a visit to the country by United States Secretary of State Alexander Haig was postponed.

Actually, the bilateral United States-Japan defense relationship began in 1951 with the signing of the San Francisco peace treaty and continued in 1960 with the Treaty of Mutual Cooperation and Security, under which the United States guaranteed to defend Japan against attack in return for bases there. This agreement was extended indefinitely in 1970. Under its provisions, the United States maintains a major naval base at Yokosuka and air force and marine units on Okinawa. Japan, in turn, pays more than \$1 billion a year for the maintenance and operation of these facilities, and United States and Japanese units periodically engage in joint training exercises.

With regard to nuclear weapons, polls have shown that by the mid-1970's most Japanese believed that there were nuclear weapons in Japan. Public discussions of Japan as a nuclear power, long taboo, have been proceeding in a spirited way over the past several years. In the summer of 1980, Ikutaro Shimizu, a leader of the movement in 1960 against the security treaty, caused a sensation by publicizing his belief that Japan can never really "be a nation" until it possesses nuclear weapons. This point was reinforced from an American perspective at the fifth Shimoda conference in September, 1981, when Robert J. Pranger of the American Enterprise Institute in Washington suggested that Japan would have to become a nuclear military power if Soviet domination in Asia were to be forestalled.

Clearly, then, there is a long-standing alliance between Japan and the United States. Just as clearly, the Japanese see that removing nuclear weapons from United States warships "home based" at Yokosuka would be impractical and inefficient. But the Japanese government can balance domestic and foreign pressures by failing to acknowledge these facts. At home, antinuclear feeling remains strong (though the mildness of the protests at United States bases after the Reischauer statement was probably its most interesting aspect). Abroad, the term "alliance" is disturbing because it implies potential collective action against another state, in this case the Soviet Union. Given the Japanese definition of "national security," this is an unnecessary provocation.

THE DEFENSE ISSUE

The Japanese government maintains a degree of public ambiguity in order to guard its leeway for action; this is clearly illustrated in the area of defense.

The very existence of the 240,000-man Self-Defense Force, in the face of the constitutional provision that "land, sea and air forces, as well as other war potential, will never be maintained," is made possible by ambiguity, in this case through judicial interpretation. This year Japan, the only nation with a peace clause in its constitution, will spend \$11.8 billion for defense, the eighth largest military spending total in the world.

Despite the absolute size of this effort, Japan's defense spending is far below that of the United States and other North Atlantic Treaty Organization (NATO) nations both as a percentage of national budget and as a percentage of GNP, a fact that has fed American charges that Japan is enjoying indirect economic benefits because of its "free ride on defense." During the administrations of Presidents Jimmy Carter and Ronald Reagan, American leaders have urged a more vigorous Japanese defense effort, because they are alarmed by the Soviet naval buildup in the Pacific and are aware that the United States Seventh Fleet has been reduced in size over the last decade and is stretched thin because of frequent emergency deployment to the Persian Gulf and Indian Ocean. When interviewed recently on Japanese radio, United States Secretary of Defense Caspar Weinberger pointed to renewed American defense efforts and suggested that "the allocation of proper roles" might call for "the self-defense of the Japanese islands and defense of the airspace and the sea lanes up to a thousand miles from the shoreline." Such a commitment would make the Japanese responsible for the defense of the entire sea of Japan, through which the Soviet fleet at Vladivostok must pass to reach the Pacific Ocean.

The American desire for an increased Japanese defense effort is not without support within Japan. Keiichi Saeki, chairman of the Nomura Research Institute, has talked of "breaking the budget barrier" and doubling defense expenditures to two percent of GNP, while General Goro Takeda, former chief of the Joint Defense Council, has suggested tripling such spending. A major Liberal Democratic party faction, headed by former Prime Minister Takeo Fukuda, favors a defense buildup, and there is some support from business as well. The sentiment in favor of constitutional revision, aimed at the peace clause of the constitution and shared by two-thirds of the LDP parliamentarians according to a 1980 *Asahi Shimbun* poll, is another indirect indicator of pro-defense attitudes.

Responding to these pressures, Prime Minister Suzuki has produced different messages for different audiences. During a tour of the ASEAN (Association of Southeast Asian Nations) region early in 1981, he

minimized Japan's potential military role: "We cannot," he said, "be expected by other nations to make military contributions for the peace and stability of the world." Yet at the National Press Club in Washington, D.C., immediately after meeting with President Reagan in May, the Prime Minister suggested the possibility that Japan might protect a perimeter within several hundred miles of Japanese shores, with some patrolling of sea lanes up to a thousand-mile radius.

In December, 1981, the Japanese Cabinet announced that it would increase defense spending for 1982 by 7.75 percent in a budget in which overall spending increases would be held to 6.5 percent (and social welfare and education were being increased by less than 2 percent). An interesting contrast may be made with the 1981 budget, when defense spending was increased by only 7.6 percent, in accord with a Finance Ministry recommendation, despite a pledge for a much greater increase made by the late Prime Minister Masayoshi Ohira to President Carter. In 1982, defense spending is to be maintained at the 7.75-percent rate of increase despite Finance Ministry recommendations that it be held to the 6.5-percent level, and it will rise as a percentage of the national budget for the first time in a quarter of a century.

Nevertheless, Japanese defense expenditures remain below the level of one percent of GNP designated by the government as a limit in 1976, and Finance Minister spokesman Tadashi Ogawa stressed the extraordinary nature of the 1982 decision. Increases in the future, he said, would be "very small." Even as United States State Department officials were expressing gratification for the Suzuki Cabinet's action, Senator Carl Levin (D., Mich.) was denouncing it as inadequate. Indeed, a computer projection assuming a five percent annual rate of growth in the Japanese economy and a seven percent increase in defense spending demonstrated that the level of two percent of GNP for defense spending would not be reached by Japan until the year 2023. It remains true, as Professor Hideo Otake demonstrated in a recent paper on the politics of defense spending in Japan, that in the Japanese political environment ideologically based appeals for greater defense efforts will almost inevitably give way to the "politics of interest."¹

JAPAN AND THE SOVIET UNION

Otake also suggests that Japanese policymakers' reluctance to support increased defense spending is based on a different assessment of Soviet intentions than that made by the United States, especially by the Reagan administration. The distinction was gently stated by Shohei Naito, a Foreign Ministry spokesman, during a recent visit to Tokyo by United States Deputy Defense Secretary Frank C. Carlucci: "In general there is recognition the Soviets pose a kind of potential threat to Japan," but "that isn't to say in a single word

¹Hideo Otake, "The Politics of Defense Spending in Conservative Japan," delivered at the annual meeting of the American Political Science Association, New York, September, 1981.

that we completely share" the American assessment. It was more bluntly put by Tokyo University Professor Yonosuki Nagai at the Shimoda Conference when he asked: "Why must the Americans feel obliged to provoke the Russians?"

The "fish bone stuck in Japan's throat" in its bilateral relationship with the Soviet Union is not the Soviet Union's Pacific naval buildup or its 600,000-man land army in Asia, which is regarded as oriented toward China, but the continued Soviet presence on the Kuril Islands, north of Hokkaido, seized by the Soviet Union toward the end of World War II. The LDP government designated February 7, the 126th anniversary of the first treaty between Japan and Russia, as "Northern Territories Day" to dramatize the importance of this issue in Japan. This point was reinforced in September when Zenko Suzuki became the first Japanese Prime Minister since the war to travel to the area, viewing the disputed islands through a telescope from a helicopter hovering well inside Japanese air space.

Soviet leaders seemed to indicate flexibility on the issue when they resumed diplomatic relations with Japan in 1956 and again in 1973 when they conceded that there were "yet unresolved problems" between the two nations, after meetings between the then Soviet Premier Leonid I. Brezhnev and Prime Minister Kakuei Tanaka. However, after Japan signed its peace treaty with China in 1978 while at the same time rejecting a Soviet overture, the U.S.S.R. increased its garrison in the Kuril Islands to about 10,000 troops and developed major airstrips there. Questions of Japanese access without passports to ancestral burial sites in the area and restrictions on fishing have further aggravated the situation.

Strategic considerations and concerns about the precedent that might be established by any return of territory are probably behind the Soviet stance. In March, 1981, Soviet Ambassador Dmitri Polyansky attempted to meet with the Japanese Prime Minister in Tokyo for the first time since 1978 to enter into a "realistic dialogue" and put aside issues, like the Kuril Islands, that "only widen existing differences." This followed President Brezhnev's call at the Communist party Congress the previous month for a "peace offensive" that would result in improved relations between Japan and the U.S.S.R. Soviet leaders hoped for increased trade and held out as an inducement for better relations the prospect of major Japanese participation in the \$10-billion-\$15-billion gas pipeline from Siberia to West Europe scheduled in their latest five year plan.

Although in 1980 Japan was the U.S.S.R.'s second largest trading partner outside the Eastern bloc, Soviet leaders were unhappy with the slowing rate of growth of this trade. This was, in part, the result of strong Japanese support for the United States-sponsored trade embargo imposed after the Soviet invasion of

Afghanistan. According to some Japanese businessmen, this support cost Japan \$500 million in lost sales to more opportunistic European companies, not counting promising investment opportunities totally foregone. After the announcement of the resumption of United States wheat sales to the Soviet Union in April, 1981 (Prime Minister Suzuki claimed that this action was taken without giving him adequate time to prepare the Japanese business community), Japan returned to more vigorous participation in raw material development projects in Siberia—oil, natural gas, coal, timber and wood pulp—in accord with its long-term goal of diversifying sources for essential raw materials. In the first half of 1981, to cite just one example, Japan's exports of steel to the U.S.S.R. were up 91 percent from 1980, to 1.4 million tons.

Nevertheless, in the absence of a commitment to discuss the northern territories, the conservative Japanese government was not amenable to major alterations in Japan's relationship with the Soviet Union, but Japanese Foreign Minister Ito did see Soviet Ambassador Polyansky; but Prime Minister Suzuki refused to meet with him, saying that the Soviet Union offered little that was new and commenting, *inter alia*, that the Soviet leaders who "creep around in their own small circle . . ." in Tokyo really didn't understand Japan.

Fortunately for the Suzuki government, domestic and international contexts converged as it formulated policy toward the U.S.S.R. in 1981. The Americans were, of course, anti-Soviet, as was the preponderance of sentiment among the Japanese people. No change was required to allow Japan to strike an assertive and consistent posture based on a uniquely Japanese territorial concern and not on some abstract notion of the global balance of power. The risk for "security" was small, because Japan's trade with the Soviet Union comprised only about two percent of its total trade. And, as later events proved, increased trade with the U.S.S.R. could be achieved without changing the political framework.

TRADE AND AID IN ASIA

The United States has not been the only nation pressing Japan recently for a military buildup aimed, at least implicitly, against the Soviet Union. Chinese Foreign Minister Huang Hua used the occasion of the signing of a \$1.38-billion aid agreement between his country and Japan in December, 1981, to denounce "Soviet hegemonism" and called on the world community to join in an effort to constrain it. In this he was echoing sentiments expressed by China's first Deputy Prime Minister Deng Xiaoping during his historic visit to Tokyo in 1980, though there was little hope of drawing the Japanese into an explicit, three-cornered (United States-China-Japan) anti-Soviet arrangement.

Japan now transacts about \$9 billion in business annually with China, more than three times as much as

its trade with the U.S.S.R. Relations between Japan and the People's Republic were normalized in 1972, and a formal treaty was signed six years later. In 1978, a \$20-billion trade pact was also concluded between Japan and China. Under its terms, the Japanese are paid in key raw materials, principally oil and coal, for the manufacturing plants, equipment and capital they supply for China's modernization.

Fears of shortfalls in oil production may have been one reason for China's cancellation of \$1.5 billion in contracts with Japanese companies for steel and petrochemical plants in February, 1981. After a Japanese mission's visit to Beijing later that month, Chinese Deputy Prime Minister Gu Mu gave assurances that the companies involved would be properly compensated for their losses, while Deng Xiaoping suggested that the contracts might be renewed if financial terms were renegotiated. The subsequent renewal in April of contracts for three petrochemical plants and the refinancing of the giant Baoshan steel mill near Shanghai in December lent credence to views that China's original cancellation might simply have been a ploy to get better credit terms from Japan. In the interim, an oil discovery by the Japan National Oil Corporation in Chinese territorial waters eased fears about the effects of declining oil production on the mainland on bilateral trade.

With its other Asian neighbors, Japan has followed a similar policy of trade and aid. During Suzuki's tour of the five ASEAN nations (symbolically important because his first trip as Prime Minister outside Japan was to that region and not to the United States), he pledged almost \$850 million for aid and \$100 million for five development centers, one in each nation, oriented toward research on energy, agriculture and industrial development. Though still not at the average level for the OECD (Organization for Economic Co-operation and Development) nations, Japan's foreign aid doubled in the 1978-1980 period and is scheduled to double again by 1985. Supported in Japan both for humanitarian reasons and as a means for developing markets (and thus "security"), foreign aid reached \$2.64 billion by 1979. The Japanese realize that foreign aid is as unpopular in the United States as it is popular in Japan, and thus publicize their aid efforts in Asia (and in countries like Turkey, Pakistan and Oman) as non-military support for mutual foreign policy goals.

During 1981, a major claimant for aid from Japan was South Korea, which, of late, has been experiencing economic difficulties. Until recently, relations between the two nations were strained because of a death sentence meted out by South Korean courts to political dissident Kim Dae Jung, a sentence based in part on his activities as an expatriate in Japan. This sentence by the government of President Chun Doo Hwan violated an agreement between South Korea and Japan

made in 1973 and led Prime Minister Suzuki to threaten an aid cutoff and closer relations with North Korea if the sentence was not commuted.

As soon as a commutation was granted in January, 1981, Japanese aid to South Korea was unfrozen. Then, in September, the Chun government asked for a massive increase in the level of assistance, to \$6 billion over five years. Taking a page from the American book, Premier Nam Duck Woo justified this request on the basis of the contribution of South Korean military spending (one-third of the national budget) to Japanese security. The Japanese, who had pledged closer economic ties to South Korea at the seven-nation economic summit in Ottawa in July, were taken aback at the size of this request, which was truly massive when compared to the current level of aid, \$80 million per year. It constituted, they said, 30 percent of all assistance planned by Japan for the five-year period and 70 percent of the amount targeted for Asia. Nevertheless, with the encouragement of the United States, which wants to bolster political stability in South Korea, the Suzuki Cabinet made a major aid agreement with the South Koreans one of its three foreign policy priorities for 1982.

TRADE ISSUES WITH THE WEST

United States officials estimate that in 1981 the Japanese surplus in bilateral trade with the United States will be about \$18 billion. This imbalance is unique only in its magnitude; Japan has enjoyed similar surpluses for each year of the last decade. The Japanese try to minimize the problem by pointing to United States advantages in "invisible trade" (the bilateral exchange in services and investment) and by stressing the greater importance of a "global payment balance" in capital as well as current accounts. But an emphasis on the global context has little influence on American politicians under protectionist pressure from their districts. "It is very hard for us to defend a good world trading system," Republican Congressman Bill Frenzel (R., Minn.) of the Subcommittee of Trade of the House Ways and Means Committee has said, "with a partner that apparently, to our average constituent, looks like it is taking us for a ride."

The reaction of the United States government to the trade imbalance has been two-pronged. The administration has tried to induce the Japanese to "voluntarily restrain" their exports of certain products, automobiles being the most prominent recent exam-

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South Korean "President Chun's grip on power is fragile. It will be difficult for him to appease his military opponents and skeptical industrialists and to deliver on his promise of economic justice and prosperity."

Politics in South Korea

BY EDWARD J. BAKER

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SINCE President Chun Doo Hwan's visit to the United States in February, 1981, South Korea has hardly been mentioned in the American news media. This is a stark contrast to 1979 and 1980, when the assassination of President Park Chung Hee, the step-by-step seizure of power by General Chun Doo Hwan, the Kwangju uprising, and other turbulent events attracted international attention.

The lifetime rule of President Park Chung Hee, established by the Yushin Constitution, came to an abrupt and absurd end when he was shot to death at a dinner party on October 26, 1979, by Kim Jae-kyu, the director of the Korean Central Intelligence Agency (KCIA), the supposedly most loyal of his praetorian guard.

Whether Kim was attempting to carry out a revolution to spare the people further bloody repression and to establish democracy (as he argued at his trial) or attempting to seize power for himself through an act of sedition (as the court martial held in sentencing him and his codefendants to death), he was not acting in a vacuum. Popular resentment had been building for years over the regime's repression. Workers, allowed to organize unions, had been prohibited by law from engaging in collective bargaining or collective action to gain what they considered a fair share of the nation's increasing wealth. Nevertheless in August, 1979, several hundred women workers held a sit-in demonstration at the headquarters of the opposition New Democratic party (NDP) to protest the closing of their factory. On August 11, a violent police attack left one demonstrator dead and many injured. In October, there was widespread rioting by students and workers in the southern cities of Pusan and Masan when Kim Young Sam, the head of the NDP, was expelled from the National Assembly for his opposition to the government.

After Park's assassination, it was apparent that opposition was by no means limited to "a small group of Westernized, Christian intellectuals," as his apologists had often charged. According to a national opinion survey by the Social Science Research Institute of Seoul

National University—the first poll of its kind since 1972—nearly 73 percent of those interviewed said that "democratization" was more important than "economic development." "Expansion of human rights and freedom" was regarded as the most important aspect of political development by 23.3 percent of the respondents, "strengthening national security" by 20 percent, "social justice through fair distribution" by 15.4 percent and the independence of the legislature and judiciary by 12 percent.¹ Even President Choi Kyu Ha, Prime Minister at the time of the assassination, agreed that Emergency Measure No. 9, the 1975 presidential decree banning all criticism of the Yushin Constitution, had to be repealed and that the constitution had to be amended.

During the early months of 1980, many groups made proposals for constitutional revision. Most drafts called for a parliamentary form of government and strengthened protection for basic human rights. Public debate was vigorous, and the press covered it with relish, despite the fact that the nation had been placed under a form of martial law immediately after the assassination.

A MILITARY PURGE

On the night of December 12, 1979, General Chun Doo Hwan took several thousand troops from the area between Seoul and the Demilitarized Zone and used them to stage a bloody intramilitary putsch, which resulted in the arrest of between 30 and 40 senior generals, including the martial law commander, who was replaced with a Chun loyalist. The troops were part of the United States-Korea Combined Command under General John Wickham, the highest ranking United States officer in Korea.

There was general speculation that this was the first step in an attempt by General Chun to move into the place of President Park. However, the incident was described by participants as an action to eliminate corruption in the military; for some months they made no further public moves.

In the meantime, public debate raged on. Those described as "Yushin Remnants" procrastinated, arguing for the Yushin Constitution. On the other hand,

¹Donga Ilbo (Seoul), January, 1980, p. 1

many who had openly opposed Park argued that the Yushin Constitution should be replaced with a constitution based on popular consensus.

Three major political figures—the three Kims—emerged. One was Kim Jong Pil, who headed Park's party, the Democratic Republican party. Another was Kim Young Sam of the NDP. The third was Kim Dae Jung, who had run against Park in the 1971 elections and became well known internationally in 1973 when he was kidnapped from Tokyo and nearly killed by the KCIA. Kim Dae Jung was jailed in 1976 and was not released until December, 1978; his political and civil rights remained suspended until February 28, 1980.

In 1980, there were hundreds of labor strikes. Workers called for wage increases, improved working conditions, and an end to repressive labor laws and KCIA interference. As winter turned to spring, demonstrations began on the university campuses over issues of campus democracy. Students called for the replacement of student organizations organized from the top down and officered by administration appointees with voluntary organizations with elected officers. They demanded an end to the KCIA presence on campus and the dismissal of administrators and professors who had advanced themselves by supporting Park's dictatorship. On April 16, General Chun appointed himself acting director of the KCIA despite a provision in the governing law forbidding an active duty military man to be director. Chun's action provoked much criticism, especially on the campuses. By May, students were calling for an end to martial law, the dismissal of Chun, President Choi, and Prime Minister Shin Hyon Hwack, and the prompt drafting of a new constitution and the holding of elections. Moreover by mid-May, as many as 100,000 students at a time were demonstrating in downtown Seoul.

As May 22, the date for the opening of a National Assembly session approached, both major parties announced that they were prepared to vote for an end to martial law. On May 16, the students, responding to a government appeal, called off demonstrations and convened a meeting of student leaders to discuss the situation. Subsequently, Chun declared full martial law. All political activity was prohibited. The National Assembly was dissolved. The student leaders were arrested en masse; Kim Dae Jung and many of his followers and associates were rounded up, and Kim Young Sam was placed under house arrest.

On May 18, demonstrations against the new martial law broke out in Kwangju, a city of 800,000 in southwestern Korea. When paratroopers attacked the demonstrators, the population rose and drove out the troops. General Chun sent reinforcements to surround and, later, to retake the city by force, and General Wickham allowed him to use troops from the Combined Command. During the 10 days before the

army retook the city, the citizens broadcast an appeal for United States mediation. But the United States Department of State did not respond. By official count, 176 people were killed in the Kwangju incident, but responsible private estimates put the number as high as 2,000.

The reign of terror brought an end to public debate on a new constitution and the scheduled elections. During a series of "purification" drives, 10 important political figures, including Kim Jong Pil, were arrested and accused of enriching themselves by abusing their positions. (Eventually, they were released without prosecution in return for a promise to return their ill-gotten gains, which were said to total about \$145 million.) Several hundred high government officials and about 8,000 lower officials and employees of banks and state-owned enterprises were purged. Newspapers, under strict military censorship, were forced to fire about 350 reporters. Including prestigious intellectual journals, 172 periodicals were deprived of their licenses to publish. Some 37,000 "hoodlums" were rounded up for reeducation in military camps. The "purification" drive elicited some popular support, because of built-up resentment against corrupt officials.

On August 7, a high-ranking United States military officer was quoted by the United States and Korean press to the effect that the United States did not object to General Chun as President. Less than three weeks later, President Choi resigned and General Chun was elected President by the National Conference for Unification, the indirect election mechanism of the Yushin Constitution. He received all but two ballots; which were declared invalid.

Held incommunicado for three months and questioned for as long as 15 hours a day, Kim Dae Jung and his 23 associates were subsequently tried by a court martial on charges of plotting to seize power. On September 17, 1980, Kim was sentenced to death; his co-defendants received sentences ranging from three years to life. There was a strong international reaction, especially in Japan, where there was a popular resentment over the 1973 kidnapping. The Japanese government made it clear that Kim's execution would force it to reevaluate its relations with South Korea. The question of whether Kim would be executed hung over United States-Korean relations throughout the fall of 1980 and into early 1981.

South Korea's new constitution, adopted in a ref-

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BOOK REVIEWS

ON THE WESTERN PACIFIC

SENTIMENTAL IMPERIALISTS: THE AMERICAN EXPERIENCE IN EAST ASIA. By James C. Thomson Jr., Peter W. Stanley and John Curtis Perry. (New York: Harper & Row, 1981. 323 pages, maps and index, \$17.50.)

The three authors of this work, specialists in the field of United States foreign policy in the East Asian region, want to inform the "general reader about the extraordinary multicultural complexity called 'American-East Asian Relations.'" They trace "our contact with the third of humanity who live in East Asia... peoples who today form a major center of the world economy and soon will outproduce Western Europe."

The American experience and its mistakes and its prospects in relation to Japan, China, the Philippines, the Koreas and Vietnam are discussed in historical detail, along with recommendations for future diplomatic relations. The book is an unusually readable detailed history.

O.E.S.

VIETNAMESE TRADITION ON TRIAL, 1920-1945. By David G. Marr. (Berkeley: University of California Press, 1981. 468 pages, glossary, selected bibliography and index, \$25.00.)

In this detailed account of a brief period in the history of Vietnam, David Marr offers his explanation for the Communists' success: he believes that their victory, exemplified by their triumph over the French at Dien Bien Phu, can be understood only by means of a detailed examination of the "prior changes in social structure and intellectual outlook" that occurred most rapidly during the 25-year period covered in this study.

O.E.S.

JAPAN TODAY. Edited by Kenneth A. Grossberg. (Philadelphia: Institute for the Study of Human Issues, 1981. 118 pages and appendix, \$12.95, cloth; \$5.95, paper.)

In 1979, films, exhibits and panels explored modern Japan in seven American cities. Kenneth Grossberg has collected and edited 10 of the papers presented during these discussions for inclusion in this interesting book. The topics range from Japanese lifestyle, culture and economy to politics. Most of the panelists came from Japan specially for these programs and they have presented the Japanese point of view on a wide range of subjects.

O.E.S.

JAPANESE SOCIETY TODAY. 2d ed. By Tadashi Fukutake. (Tokyo: University of Tokyo Press; dis-

tributed by Columbia University Press, New York, 1982. 165 pages and index, \$9.50, paper.)

Although he concedes Japan's great economic success of the last 30 years, the author believes that Japanese society faces "multifaceted, deep-lying problems" that must be solved if Japan's economic success is not won at the expense of social development.

O.E.S.

JAPAN: PROFILE OF A POSTINDUSTRIAL POWER. By Ardash W. Burks. (Boulder: Westview Press, 1981. 261 pages, maps, figures, photographs and annotated bibliography, \$22.00, cloth; \$9.50, paper.)

The author has written a description of modern Japan and its people in order to bring them into a sharper focus for American readers.

O.E.S.

THE POLITICS OF AGRARIAN CHANGE IN ASIA AND LATIN AMERICA. Edited by Howard Handelman. (Bloomington, Indiana: Indiana University Press, 1981. 136 pages and notes, \$22.50.)

The contributors to this analysis of the "politics of food" present case studies of India, South Korea, Thailand, Colombia, Ecuador and Peru and offer suggestions for more effective agrarian policies in these third world countries.

O.E.S.

A HISTORY OF MODERN INDONESIA. c. 1300 TO THE PRESENT. By M. C. Ricklefs. (Bloomington: Indiana University Press, 1981. 335 pages, bibliography, maps, notes and references and index, \$22.50.)

M.C. Ricklefs has written a detailed history of "the history of Indonesia since the coming of Islam" in 1300 A.D. Indonesia is important in the world today; it is the world's fifth most populous nation and is a major producer of oil; it is also the most densely populated Muslim nation. This is a valuable book for the serious student.

O.E.S.

NEW FOUNDATIONS FOR ASIAN AND PACIFIC SECURITY. Edited by Joyce E. Larson. (New York: National Strategy Information Center, 1981. 260 pages, \$8.95, paper.)

The contributions in this work have been selected from the proceedings of the 1979 conference at Pattaya, Thailand, on "New Foundations for Asian and Pacific Security."

O.E.S.

THE LAST PHASE OF THE EAST ASIAN WORLD ORDER: KOREA, JAPAN, AND THE CHINESE EMPIRE, 1860-1882. By Key-Hiuk Kim. (Berkeley: University of California Press, 1980. 439 pages, glossary and index, \$20.00.)

O.E.S. ■

TAIWAN'S ROLE IN THE WESTERN PACIFIC

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military action against Taiwan, it "would have a destabilizing effect on the region."¹⁴

If China used force to reunite Taiwan with the mainland, the ramifications for other countries in the Western Pacific would be serious. Japan, for example, might seek closer ties with China. As a result, the United States would be confronted by an increasingly powerful China and "flanked by a neutralized Japan," a highly serious situation to the United States.¹⁵ For these reasons, United States officials, including Roger Sullivan, Deputy Assistant Secretary of State for Far East Asian and Pacific Affairs, warned that any use of force by China against Taiwan would probably constitute a threat to United States security interests.

At present, tension in the Taiwan Straits remains high. Approximately one-fourth of the Chinese army, according to Morris K. Udall, former United States Ambassador to Taiwan, has been stationed on the Chinese coast. One congressional report estimated that about 700,000 Chinese troops have been deployed along the Chinese coast. The International Institute for Strategic Studies has reported that China has deployed 20 infantry divisions, 15 local divisions and 2 armored divisions in the three Military Regions facing the Taiwan Straits.¹⁶ Nationalist Chinese General Yeh Chang-tung, Assistant Defense Minister, has offered a more conservative estimate that there are 160,000 Chinese Communist troops deployed in two key locations along the Chinese coast facing the Taiwan

¹⁴U.S. Congress, House Committee on Foreign Affairs, *Implementation on the Taiwan Relations Act*, 96th Congress, first session, October 23 and November 8, 1979 (Washington, D.C.: GPO, 1980), p. 62.

¹⁵Edwin K. Snyder et al., *The Taiwan Relations Act and the Defense of the Republic of China* (Berkeley: University of California, 1980), p. 95.

¹⁶For details, see *The Military Balance 1981-1982* (London: International Institute for Strategic Studies, 1981), p. 74; for Udall's testimony, see U.S. Congress, Senate Committee on Foreign Relations, *Taiwan Enabling Act*, 96th Congress, first session, March 1, 1979 (Washington, D.C.: GPO, 1979), p. 12.

¹⁷For detail of General Yeh's statement, see *China News*, July 8, 1981. Several U.S. academics, including A. Doak Barnett, argue that tension in the straits is now at its all time low; see Barnett, *The New York Times*, October 23, 1981. For a similar "low tension" assessment, see *Christian Science Monitor*, April 6, 1981.

¹⁸"Chinese Troops Exercises Seen Staged for Taiwan," *Christian Science Monitor*, September 28, 1981.

¹⁹U.S. *Military Posture for FY 1982*, p. 14. See also *United States Foreign Policy Objectives and Overseas Military Installations*, prepared for the Committee on Foreign Relations, U.S. Senate (Washington, D.C.: GPO, 1979), pp. 166-67.

²⁰For a more detailed elaboration of these points, see Tomohisa Sakanaka, "Military Threats and Japan's Defense Capability," *Asian Survey*, July, 1980, p. 770.

Straits. He has also warned that China has recently increased its naval and air activities in the Straits and along the mainland coast.¹⁷

In fact, China has frequently carried out military and amphibious training exercises in the Taiwan Straits. In September, 1981, for example, China announced that it had carried out possibly "the biggest peacetime military exercise" in nearly 30 years. The exercise, deploying between 100,000 and 200,000 troops, was seen as a warning to Taiwan and as part of a campaign to pressure Taiwan toward reunification with mainland China.¹⁸

The government of Taiwan, and many Americans, believe that current United States policy on Taiwan will not guarantee stability in the straits, nor can it ensure the security of Taiwan. Instead, it could precipitate a military conflict between Taiwan and China which, in turn, could involve the United States.

Another possible destabilizing ramification of current United States policy vis-à-vis China and Taiwan is the possibility that China may restore close ties with the Soviet Union. The two Communist countries have been maintaining official and trade contacts since 1970, albeit on a limited basis. A case in point is the recent Soviet offer to resume border talks with China.

TAIWAN'S SOVIET STRATEGY

In recent years, the Soviet Union has significantly increased its naval and air power in the western Pacific. After signing a treaty of friendship and cooperation with Vietnam in November, 1978, the Soviet Union gradually extended its military presence. Beginning in 1978, the Soviet fleet has made frequent visits to both Danang and Camranh Bay in Vietnam. It has begun construction at both ports for upgrading naval and air facilities. Moreover, the Soviet Union has increased its naval activities in the South China Sea and the Sea of Japan. To the United States, these Soviet developments represent a "primary destabilizing factor" and pose a potential threat to United States security interest in the Western Pacific.¹⁹

The major Soviet naval ports in the Pacific area are located along the west coast of the Sea of Japan. Soviet bases include Vladivostok, Sovetskaya and Petropavlovsk. The Soviet submarine fleet is probably located in the southeastern section of the Kamchatka Peninsula. Nevertheless, it has few access points to the Pacific Ocean, except for the Kamchatka coastline in the extreme north. An archipelagic barrier broken only by a few chokepoints cuts off the continental Asian coast from the Pacific. Southern Siberia is contained by the Sea of Japan and the East China Sea. Soviet free passage to the Pacific is blocked by a series of islands from Kyushu through the Ryukyu Islands, the Philippines, and Borneo to the archipelago that forms Indonesia.²⁰ In order to reach the Pacific Ocean from the Sea of Japan, the Soviet fleet must pass the Tsushima, Tsu-

garu or Soya (La Perouse) Straits, unless it turns north around the Kuril Islands.

After it passes these narrow straits en route to the Indian Ocean, the fleet passes Taiwan on one side or the other. Thus, the Taiwan Straits and Taiwan are potentially important to the Soviet Union. If the Soviet Union had bases on Taiwan for its naval and air forces, it could control the entire length of the archipelagic barrier with operations based from the Kamchatka Peninsula, through Taiwan, to Vietnam. Soviet forces would then have access to any of the major choke-points in the archipelagic barrier.²¹ Furthermore, with bases in Taiwan, the Soviet Union would be able to blockade the Chinese mainland.

Geostrategically, Taiwan controls access to both the Taiwan Straits and the sea route to northeast Asia, as well as the Bashi Channel between Taiwan and the Philippines. Thus it could also control the major shipping lanes of Japan, Korea, the Philippines, the United States and (indirectly) Singapore. With bases in Taiwan, the Soviet Union could threaten United States trade interests in the Western Pacific; Japan and Korea would also be adversely affected because 90 to 95 percent of their energy resources are imported through these sea lanes.²²

Therefore, the Soviet Union, if ever it established bases in Taiwan, could practically neutralize the strategic usefulness of many United States bases in the Western Pacific. Under these circumstances, the United States would find it very difficult to maintain its military and economic presence in the area. But although since the 1960's there have been some reports of unofficial contacts between the Soviet Union and Taiwan, it seems unlikely that there will be any significant change in the Soviet-Taiwan relationship. Taiwan's close military and economic ties with the United States have made it too costly for Taiwan to play the "Russian card."

Nonetheless, in light of the increasing military strength of China and the growing Soviet presence in the Western Pacific, it would seem circumspect for the United States to continue to supply Taiwan with sufficient defensive weaponry. Today, Taiwan probably possesses the military capability to deter a conventional

²¹For a more detailed elaboration of these points, see Snyder, *op. cit.*, p. 87; see also General Wego W. K. Chiang, *The Strategic Significance of Taiwan* (Taipei: Li-ming, 1976).

²²For a more detailed elaboration of these points, see A. James Gregor, "The Military Defense of the Republic of China," *Issues & Studies*, July, 1980, p. 55.

²³The adoption of such a "Soviet option" was suggested indirectly by Nationalist Foreign Minister Chou Shu-kai; see John W. Garver, "Taiwan's Russian Option: Image and Reality," *Asian Survey*, July, 1978, p. 765. Several American academics have also discussed the possibility of such a "Soviet Option" and the circumstances under which this option might be considered by Taiwan. See *Taiwan: One Year After U.S.-China Normalization*, pp. 117ff. and 126ff.

attack by the Communist Chinese. But as China's military power increases, Taiwan might find itself disadvantaged. President Reagan's recent decision not to sell Taiwan the slightly advanced FX fighters and only to extend the F-5E coproduction line in Taiwan is viewed by Taiwan as a serious blow to its defense program. It is conceivable that, as a last resort, Taiwan might approach the Soviet Union for help.²³

Although the strategic significance of Taiwan vis-à-vis the superpowers has declined since the 1950's, Taiwan will continue to play an important role in the Western Pacific. First, Taiwan is an island of economic and political stability in a sea of volatility. This is largely a result of Taiwan's impressive record of economic achievement. Second, Taiwan is a key link between northeast and southeast Asia. Although the United States has deemphasized the strategic importance of Taiwan for the purpose of promoting ties with China, it has been unable to deny the strategic role of Taiwan in the Western Pacific. When United States policymakers stress the importance of Japan, Korea and the Philippines, they are admitting that they have a strategic interest in Taiwan. United States opposition to a Soviet presence in Taiwan is also a tacit acknowledgment of Taiwan's importance.

Third, Taiwan remains a valuable communication and supply center in the Western Pacific; it can monitor the naval and air activities of the Soviet Union and China. Fourth, it is well situated to play a key role in United States activities as a base for nuclear submarines, warships, or aircraft. Finally, and perhaps most important, Taiwan is a reliable ally. Nonetheless, despite its strategic importance, political realities in the Western Pacific today suggest that Taiwan will have to content itself with a less significant role in its relations with the United States. ■

POLITICS IN SOUTH KOREA

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erendum on October 22, 1980, provides for the indirect election of a strong President; it establishes a weak National Assembly and a weak judiciary. Article 45 limits the President to one seven-year term, and another article provides that amendment of this limit cannot benefit the incumbent. These provisions are said to solve South Korea's basic problem: the Korean inability to bring about a peaceful transition of power. There is, of course, nothing to prevent the amending of that article so that an incumbent could benefit from a change in the limit on terms.

The provisions on basic human rights contain stronger guarantees than the Yushin Constitution but all the rights "can be restricted only when necessary for national security, the maintenance of law and order or for public welfare." The Supplementary Provisions turn the legislative function over to a Legislative Council for National Security (LCNS) until the election

of a new Assembly, but they do not specify how the new members are to be chosen. (The members were apparently chosen by President Chun.) Article 6(3) provides:

Laws legislated by the LCNS and trials, budgets, and other dispositions effected thereunder shall remain valid, and may not be litigated or disputed for reasons of this constitution or other reasons.

This provision freezes in place the arrangements made before the election of a new National Assembly. Another supplementary provision is the basis for a political "purification" law passed November 3, which forbids political activities by 800 persons for seven and one-half years, i.e., until after the second presidential election envisioned under the constitution. Subsequently, the rights of about 250 were restored. Another supplementary provision abolishes all existing political parties. Under these provisions, restrictive laws were passed regulating the press, labor, assemblies and demonstrations. A Social Protection Law allows "preventive custody" for up to 10 years in addition to a prison term.

On January 23, 1981, Chun, who had been re-elected under the new constitution, announced that Kim Dae Jung's death sentence had been commuted to life imprisonment. The announcement came two days after it was announced that Chun had been invited to Washington, D.C., by the newly inaugurated United States President Ronald Reagan, who had said that he would not ignore Kim's execution.

President Chun cites his visit to the United States and his "summit" meeting with President Reagan as an indication of friendly United States-South Korean relations and international recognition of the government's legitimacy.

In 1981, new political parties were established; a new National Assembly was elected; and Kim Young Sam was released from house arrest after retiring from politics. The economy improved somewhat. However, there were many student demonstrations in the spring of 1981. Campuses were heavily infiltrated by agents of the police and the Agency for National Security Planning, the old KCIA. Many students were arrested and there were allegations of torture. For the first time, overt anti-Americanism appeared in student proclamations because of what the students consider United States complicity in the regime's repression.

The labor movement was relatively quiet; the new more restrictive laws prohibit even the tame Korean Federation of Trade Unions from helping workers to organize.

In 1982, the government and its business allies admit that the distribution of wealth, touted as equitable in the 1970's, is uneven and has led to popular discontent, but they insist that inequities will be remedied under the new Five Year Economic and Social Development Plan. The government, controlled by the mil-

itary, has spent time and effort to gain the confidence of industry. In January, 1982, Yoo Chang Soon, former head of the Korean Traders Association, replaced Nam Duck Woo as Prime Minister. However, the military men are ignorant of economic affairs. High-handed actions, like the "rationalization" in which Hyundai Corporation and Taewoo Corporation were forced to get out of certain lines of manufacturing and concentrate on others, created uneasiness in business circles.

The process by which Chun took power created tension in the army. All the arrested senior generals had disciples, whose expectations have been thwarted. The President was worried about the loyalty of the military; witness the sudden, unexplained arrest of General Pak Se-jik, head of the Capital Garrison Command, in the summer of 1981.

The professional politicians who formed the "legal" opposition to Park, like Kim Young Sam, have been banned from politics but are not without potential influence. Intellectuals and churchmen like Kim Dae Jung and Reverend Moon Ikhwan, who struggled through the Yushin period as the "illegal" opposition, have not been placated, but their most important leaders are in prison.

Nonetheless, President Chun's grip on power is fragile. It will be difficult for him to appease his military opponents and skeptical industrialists and to deliver on his promises of economic justice and prosperity.

The international context has hardly changed. North Korea has responded negatively to President Chun's January 22, 1982, proposal for reunification by exchanging liaison missions while jointly enacting a constitution and setting up a unified government. There are 38,000 United States troops in Korea, and there has been no further talk of a United States troop withdrawal. The Reagan administration is clearly far more concerned about a "threat from the North" than about the South Korean domestic situation. Now that Kim Dae Jung's sentence has been commuted, the Japanese government is entertaining a South Korean request for \$6 billion in aid. It is being urged to do so by the Reagan administration on the ground that, if it will not increase its own defense expenditures, Japan should at least help pay for its South Korean shield.

On December 20, 1981, Chinese Prime Minister Zhao Ziyang went to Pyongyang to reiterate China's time-honored position that Korea was divided because of United States interference and that United States troops should be withdrawn. Both China and the Soviet Union have increased their unofficial contacts and trade with South Korea, but neither is likely to take a position in the near future that would undermine North Korea. At the same time, the United States will undoubtedly continue to favor a South Korean government that promises "stability." ■

JAPAN IN THE WORLD OF THE 1980's

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ple. In April, 1981, just before Prime Minister Suzuki's visit to Washington, an agreement was reached under which Japanese car exports to the United States would be reduced to 1.68 million per year for 1981 (the 1980 total was 1.82 million), and 1.68 million plus 16.5 percent of the growth of the American domestic car market for 1982. This agreement, it was thought, would give American auto manufacturers the "breathing space" they needed to adjust to foreign competition without requiring the Republican government in Washington formally to violate free market principles.

In fact, the American auto industry has thus far gained little from these restraints. Weakness in demand for new cars in the United States has allowed the Japanese to comply with their commitment and still marginally increase their market share, from 21.1 percent (1980) to 21.5 percent (1981), with fewer sales. Furthermore, manufacturers in Japan have enriched their product mix for the American market. In the period between April and September, 1980, they shipped 1.01 million cars to the United States, with a retail value of \$4.16 billion. In the same period in 1981, they shipped fewer cars, 964,013, but their total value was up 23 percent, to \$5.13 billion.

The second major United States priority has been to encourage the Japanese to open their domestic market to foreign competition. Recently, for example, United States Commerce Secretary Malcolm Baldrige offered a bluntly worded warning that the United States might retaliate if the Japanese "failed to open their damned markets to us." This remark was exceptional only in its tone. The usual tactic of individual executive branch officials, in both the Carter and Reagan administrations, has been to strike a reasonable posture when negotiating with the Japanese while at the same time wondering out loud whether Congress or administration officials less committed to the principles of free trade could be restrained in their desire to raise protectionist barriers.

In response, Japanese officials and businessmen insist that the Japanese market is as accessible to imports as that of the United States and that the idea that it is closed is a holdover from an earlier era. American companies, they say, are offering excuses for their inability to compete.

Indeed, over the last decade, Japanese tariff barriers have been significantly reduced. Problems remain, however, with such "non-tariff barriers" as administrative guidance that favors Japanese products, long delays in customs clearance, overly rigid standards and testing procedures, and technical health rules that inappropriately exclude United States foodstuffs and cosmetics.

While these problems are real, mechanisms are in

place, both bilaterally and through the General Agreement on Tariffs and Trade (GATT) to deal with them. Recently, negotiations succeeded in reducing Japanese restrictions on United States tobacco products and (under the threat of denying Japanese sales to the United States government) in allowing the Japanese government-owned Nippon Telephone and Telegraph Company (NTT) to consider the purchase of United States-made telecommunications equipment. In November, 1981, a United States trade mission asked Japan for reduced trade restrictions on 29 specific products. The Japanese quickly responded with a two-year acceleration of the tariff reduction schedule negotiated during the Tokyo round. About 2,000 items were affected, including 20 of the 29 on the United States list.

Problems remain, however, with the sale of some categories of foodstuffs, especially meat and citrus fruits. Nervous about damaging its remaining domestic capacity to produce food, and very aware of the rural base of its political power, the LDP government has remained protective of domestic agriculture, however inefficient.

Although Prime Minister Suzuki insisted that "voluntary restrictions" on auto exports to the United States would not constitute a precedent for agreements with other trading partners, some limits on exports to European nations actually antedated the United States agreement; agreements with Canada and Germany soon followed. Europeans feared that a bilateral United States-Japan accommodation would displace the Japanese export effort to Europe, thus further exacerbating an already difficult situation. By late 1980, the European Council of Foreign Ministers was expressing strong concern to visiting Japanese Vice Minister of International Trade and Industry (MITI) Nashiro Amaya about levels of Japanese imports of cars, color televisions, audio equipment and motorcycles (which, at the end of the year, left their collective trade with Japan out of balance by \$12 billion). Dissatisfied with the Japanese response to their urge for restraints, the European nations proceeded in February, 1981, with a "community-wide surveillance" of Japanese export activities.

The trade issues with Japan raised by the Europeans were similar to those raised by the Americans, with one added complication. The United States was able to offset imports from Japan, to some degree, with exports of agricultural commodities and industrial raw materials. The European nations, in contrast, found little market in Japan for their predominant exports, manufactured goods. United States sales to Japan were up in 1980 by 25 percent, while total European exports rose by only 3.5 percent.

Japan did not anticipate that 1981 would be a year of extraordinary trade surpluses with the United States and Europe. The circumstance it found itself in could

be attributed not only to the attractiveness of its products abroad but also to the weakness of the yen against the dollar (created, in part, by continued very high interest rates in the United States). In addition to voluntary restrictions on exports and the acceleration of scheduled tariff reductions, the Japanese sought to deal with international pressures by accelerating purchases and encouraging foreign investment by Japanese companies. Both these steps, they reasoned, would reduce apparent surpluses and be non-threatening to foreign labor, thus preserving trade. Finally, Japan agreed at the Ottawa Conference to join the United States and the European Economic Community (EEC) in a tripartite system of informal meetings among special trade negotiators, a sort of "early warning system" that recognized the European view that complex trade issues could no longer be handled bilaterally.

After the "voluntary restrictions" on auto exports to the United States were set in May, *The Wall Street Journal* attacked Japan for "caving in" too easily to protectionist pressures.² But Japan's position on the issue of bilateral surpluses with Western trading partners, as on defense, was typical of its contemporary approach to foreign policy problems. Japan's central goal, access to markets and raw materials, was protected while it accommodated the needs of other states through marginal and incremental adjustments. In the area of trade, what makes such a policy viable is the universal recognition, among Western leaders, of the mutual benefits of the free trade system.

CONCLUSION

There has been discussion, of late, of a new independence in Japanese foreign policy and the possibility that in the next decade Japan will become the "France of Asia." Two political initiatives are often cited as evidence. The first is Japan's early and energetic support in the United Nations for the ASEAN-backed Pol Pot regime in Cambodia. The second is the increasingly pro-Palestine Liberation Organization (PLO) posture taken by the Japanese in the Middle East, a posture contrary to United States policy and evidenced most recently by Yasir Arafat's "unofficial visit" to Tokyo in the fall of 1981.

Certainly, Japan's "Arabist tilt" since 1973 can be explained by its heavy dependence on Middle East oil (and thus its concern for "national security"). Actually, Arafat's stay in Tokyo was originally to be balanced by a state visit by Egypt's President Anwar Sadat later in the fall. When Sadat's assassination thwarted this plan (and any Japanese hopes for a diplomatic coup concerning the Middle East), there was serious discussion

²The *Wall Street Journal*, May 4, 1981, p. 24.

³See for example the article by Gerald Curtis, "Japan Security Policy and the United States," *Foreign Affairs* (Spring, 1981), p. 854.

in Japan of canceling Arafat's visit. The visit went forward, but Japan's opening to the PLO has been very tentative and hardly groundbreaking, compared to positions taken by West European nations.

There is a spirit abroad in Japan among the new generation of government leaders, both political and bureaucratic, that Japan should be "doing something more" in the world political arena, something that reaches beyond its economic self-interest.³ This view was strengthened when Japan received an unprecedented 141 votes for a nonpermanent seat on the United Nations Security Council in late 1980, an expression of confidence that suggested to the Japanese that they might have a useful political role to play in that organization. The Cambodian initiative, regional as it is, may be the first manifestation of this spirit.

Yet, in a speech at the Japan National Press Club, also in 1980, Prime Minister Suzuki commented that he hoped Japan would be seen in Asia "as a porcupine [rather] than a lion." Suzuki was probably referring to the fact that porcupines are neither carnivorous nor aggressive, although they are prickly when molested by others. But they are also slow animals, not remarkable for their initiative or their spontaneous sociability.

There is little reason to believe that Japan's great source of strength and of vulnerability will be altered in the coming decade. Even as the nation moves, under government guidance, into its next phase of economic development—industries stressing high technology, less dependent upon imported raw materials and energy—the need for foreign markets will remain; indeed it will probably grow. On particular issues, especially of a regional nature, a more assertive foreign policy may emerge when its pursuit is not significantly contrary to Japan's mercantile definition of national security, disruptive of established trading relationships, or threatening to fundamental domestic political imperatives. But these three caveats leave little room for real innovation. The success and prosperity of Japan since World War II is strong evidence to its leaders of the wisdom of the policy principles that have guided them in the recent past and of their value for the future. ■

NORTH KOREA

(Continued from page 159)

As Sino-Soviet relations remain hostile, the posture of North Korea vis-à-vis China and the Soviet Union becomes a serious concern. The Pyongyang leadership has successfully avoided entanglement in the Sino-Soviet dispute by refusing to take sides with either party and maintaining independence from both.¹⁴ However, the geopolitical position of North Korea, which shares

¹⁴See Chin O. Chung, *P'yongyang Between Peking and Moscow: North Korea's Involvement in the Sino-Soviet Dispute, 1958-1975* (University: The University of Alabama Press, 1978).

a common border with China and with the Soviet Union and which depends on military and economic support from each of these states, makes North Korea's diplomatic balancing act precarious.

North Korea is caught, therefore, in the crossfires between Moscow and Beijing. Its efforts to maintain equidistance between its two Communist allies has come increasingly under pressure in recent years. And although North Korea has issued many pro-Soviet or pro-Chinese statements depending on circumstances, it has been unable to take explicit anti-Soviet or anti-Chinese lines in diplomacy.¹⁵

Whereas North Korea-China relations in recent years seem to be "correct and proper" rather than "close and enthusiastic," North Korea-Soviet relations in 1981 appeared to be "close and improving" rather than "cool and proper," as they had been in earlier years. This change in Pyongyang's relationship with Beijing stems from the fact that in the post-Mao era since 1976 the North Korean leadership has not been wholly sanguine about the Deng Xiaoping policy of de-Maoization domestically and the normalization of Sino-American relations diplomatically. The downgrading of Mao Zedong's personality cult in China has ominous signs for similar damage to the Kim Il Sung cult in post-Kim North Korea. Moreover, North Korea's effort to improve its relations with the United States by using China as an intermediary has not proved successful.

North Korea-Soviet relations, on the other hand, are improving at least in their outward appearance. Although Pyongyang initially joined Beijing in criticizing the Soviet invasion of Afghanistan in December, 1979, there are indications that North Korea-Soviet relations have followed a friendlier pattern since 1980. In April, 1980, the Pyongyang government sent a cable to express its solidarity with the Soviet-backed Afghanistan government.

An analysis of the media in 1981 also indicates that both Pyongyang and Moscow are engaged in efforts to improve bilateral ties. While North Korea praised the "fraternal" friendship and cooperation between the two countries, the Soviet media frequently used more positive expressions to celebrate the anniversary of the conclusion of the Soviet-Korean economic and cultural agreements, the mutual defense treaty, and so on. Recently, the Soviet media widely publicized the fact that the Soviet economic assistance to North Korea in the past had been substantial. Premier Li Jong-ok led a delegation of North Koreans to Moscow in late February, 1981, and delivered a speech at the 26th congress of the Communist party of the Soviet Union on March 2, 1981.

North Korea has apparently been courted by its re-

spective Communist neighbors instead of trying to entice support from Moscow and Beijing. For instance, in January, 1978, Soviet Politburo member D.A. Kurnayev visited Pyongyang to present Kim Il Sung with an "Order of Lenin" medal, one of the Soviet Union's highest decorations. In May, 1978, Chinese Communist party chairman Hua Guofeng led a delegation on a state visit to North Korea, the first of its kind by the top Chinese leadership, before launching a diplomatic tour to Europe. In December, 1981, Chinese Premier Zhao Ziyang paid a similar state visit to North Korea. Nonetheless, the conditions in which North Korea finds itself in 1982, including its economic difficulties and its need for military hardware, will probably compel North Korea to ask for support from its superpower allies. The deteriorating power position of North Korea vis-à-vis its Communist neighbors is a matter of increasing concern to the North Korean leadership.

From military and economic standpoints, the Pyongyang government cannot afford to antagonize either the Soviet Union or China. Only the Soviet Union can provide North Korea with modern military weapons and equipment. Other essential material, like petroleum, is provided by China and the Soviet Union. North Korea recently improved the port facility of Najin, which lies in the northeast corner next to the Soviet border. With the help of the Soviet Union, it also improved the railway and highway that connects Najin with the Soviet border. Actually, an oil refinery was built in Unggi, another port town, halfway between Najin and the Soviet border.

Chinese economic assistance to North Korea, although not widely publicized, is also considerable. While the Soviets completed North Korea's first aluminum factory in Pukch'ang, north of Pyongyang, in June, 1978, the Chinese helped North Korea build the Ponghwa chemical plant (possibly a refinery) in Shinuiju, a border town in northwestern Korea. It is reported that the Chinese built a pipeline connecting the oil fields in China's northeast to a North Korean town along the border.

CONCLUSION

The North Korean leadership seems to be well aware that its international position is vulnerable and subject to the changing configuration of major power relations in Northeast Asia. Its primary concern, therefore, has been to maintain its independence and security without antagonizing allies or provoking adversaries.

From Pyongyang's perspective, the Sino-Japanese peace treaty of September, 1978, and the Sino-American diplomatic normalization of January 1, 1979, were a potential source of serious disturbances and threats to its diplomatic standing. The Chinese military attack on Vietnam in February, 1979; and the Soviet invasion

¹⁵On a recent analysis of this issue, see Helen-Louise Hunter, "North Korea and the Myth of Equidistance," *Korea and World Affairs*, vol. 4, no. 2 (Summer, 1980), pp. 268-69.

of Afghanistan in December, 1979, also alarmed North Korean leaders because of the possibility of a threat from their Communist allies.

Because of a possible United States-Japan-China entente vis-à-vis the Soviet Union, Pyongyang is determined not to be caught in the middle of major power rivalries. The North Korean leadership realizes that the Soviet Union is anxious to keep North Korea's support as a bulwark in the event of a possible triangular anti-Soviet coalition. Recently, the Pyongyang leadership has also been concerned about the revival of the cold war confrontation between the United States and the Soviet Union under the hard-line policy of the Reagan administration.

To cope with perceived external threats, Pyongyang has moved to strengthen its ties with the third world countries, through an active involvement in the non-aligned movement. It also wants to improve its relations with the United States and with other Western countries including Japan. Whether North Korea can entice other Western countries to establish diplomatic relations with it, however, remains to be seen. It depends, among other factors, on North Korea's flexibility, and on its willingness to modify its self-righteous stands on reunification and to improve its relations with South Korea. Whether North Korea can resist pressures from both China and the Soviet Union, thereby staying outside the strategic entanglement caused by major power rivalry in East Asia, remains to be seen. These problems of diplomacy, together with the succession crisis and economic difficulties at home and abroad, must be resolved in the 1980's. ■

THE PHILIPPINES UNDER MARCOS

(Continued from page 163)

the Philippines. For its part, the Philippine government has also opened diplomatic relations with China (dropping Taiwan), and Imelda Marcos has visited China three times to sign an air agreement and a trade treaty involving oil. The Philippines now buys 10 percent of its oil from China, and its trade with the Chinese has increased fivefold since 1973. In many of his policy pronouncements, Marcos has alluded to the "Chinese model" as something to emulate. Various government and cultural missions from the Philippines visit China every year. A major foreign policy objective of Marcos's is to show third world countries that the Philippines now has an independent stance in foreign relations, as evidenced by its recognition of socialist and Communist countries. But in the case of China, it seems fairly evident that Marcos may have simply followed the lead of the United States.

ASEAN, whose member states are the Philippines, Indonesia, Malaysia, Thailand and Singapore, started

as a loose economic alliance of non-Communist Southeast Asian nations. The United States and China would like ASEAN to develop into a political force to contain Soviet incursions into Southeast Asia by way of Vietnam. ASEAN leaders have repeatedly called for an end to the Vietnamese presence in Cambodia and, on the whole, mistrust Vietnam's intentions.

Thus, recognizing the strategic value of the Philippines and the need to protect its more than \$3 billion in economic investments there, the United States will try to maintain and nurture a Philippine leadership that it can influence. This policy of supporting a traditional ally in spite of gross violations of human and civil rights is deplored by George McT. Kahin, a leading expert on Southeast Asian affairs. Kahin thinks that the United States is being kept hostage

to unpredictable developments within the Philippines and to Filipino military requirements that clash with U.S. strategic priorities.⁶

This, he says, is reflective of short-term expedience rather than conscientious and responsible stewardship of fundamental United States' interests.

Marcos, nevertheless, is assured of continued and substantial military, economic and financial support from the United States, much of which he will certainly use to suppress opposition at home. For most Filipinos there is an ominous note, given the examples of Vietnam, Nicaragua and Iran, whose unpopular, corrupt right-wing dictatorships were fully supported by the United States. As Marcos tries to stay in power he is likely to employ more repression, making him more unpopular. This in turn will intensify opposition, and he will undoubtedly turn to the United States for more support.

CONCLUSION

Economically, the Philippines is the most sluggish of the ASEAN countries, with a mounting foreign debt, inflation at 24 percent, underemployment of 60 percent of the labor force, and unemployment that is approaching 35 percent. Marcos himself blames worldwide trends in inflation and the rising price of oil as the factors responsible for the economic slump.

It must be remembered that the United States has economic as well as strategic interests in the Philippines, like its multibillion economic investments. For American investors, doing business in the Philippines has proved to be immensely profitable. Studies show that investments since 1950 have earned profits amounting to \$3.58 for every dollar invested and that \$2 of the profits are remitted to the United States. Another study indicates that since 1973, American investors have borrowed \$8.33 from Philippine banks for every dollar invested. Clearly, the United States has so much at stake in the Philippines that it will certainly try to influence the future course of events in the country to protect its own interests. ■

⁶George McT. Kahin, "The Need to End Our Risky Military Ties to Manila," *Washington Post*, August 27, 1978.

U.S. STRATEGIC INTERESTS

(Continued from page 149)

vestments also have been made in Hong Kong, Singapore, Indonesia and the Philippines. Although it is difficult to determine what impact repatriated profits have in lowering the overall negative United States trade balance, it is likely that they play a positive role. Moreover, it is safe to assume that the loss of a substantial portion of this trade and investment would have a negative effect on the American economy and consumer.

Of added and more visible importance to the American economy is the importation of several strategic and critical raw materials from East Asia and Oceania.¹⁴ A recent congressional report indicates that some 11 such commodities fall into this category. Table 1 provides a detailed analysis of the existing situation with estimated projections of United States dependence in the year 2000. Although it should be noted that in each case there are multiple sources of supply for many of these materials, imports from East Asia and Oceania make up a considerable proportion of United States requirements. The most significant dependency levels are for tantalum and tin. In each case, the percentage of imports is high (and probably will remain so) and the percentage supplied by East Asian sources is substantial (45 percent for tantalum, equal to 44 percent of present consumption, and 74

¹⁴These materials have been defined as those which would be needed to supply the military, industrial and essential civilian requirements of the United States during a national emergency, are currently not found nor are likely to be found domestically, and are not capable of being replaced by substitutes. See U.S. Congress, House Subcommittee on Economic Stabilization, Committee on Banking, Finance and Urban Affairs, *A Congressional Handbook on U.S. Materials Import Dependency/Vulnerability: Report*. 97th Cong., 1st sess. (September, 1981), pp. 128-29.

¹⁵For a further analysis of U.S. dependence on Southeast Asian tin, see Lieutenant Colonel William S. Chen, USA, "Malaysian Tin: A Strategic Resource Analysis," in Industrial College of the Armed Forces, *Phase 1: The National Security Environment: Strategic Resource Policy Analysis* (Washington, D.C.: GPO, 1981), pp. 79-88.

¹⁶U.S. Department of Energy, Energy Information Administration, *Monthly Petroleum Statement* (Washington, D.C.: DOE/EIA, March, 1981), p. 18, and DOE/EIA, *1979 International Energy Annual* (Washington, D.C.: DOE/EIA, August, 1980), p. 30.

¹⁷See the statement by James Lilley, former CIA national intelligence officer for China in U.S. Congress, Senate Committee on Energy and Natural Resources, *Geopolitics of Oil*. Hearings Part 1, 96th Cong., 2d sess. (May 1, 1980), pp. 215-16.

At present eight foreign oil companies, including four American firms, are engaged in offshore oil exploration in China's territorial waters. Although China's oil reserves have been estimated conservatively at 20 billion barrels, recent studies have raised that figure to 70 billion barrels with a maximum possibility of as much as 300 billion barrels. *Ibid.*, December, 1980, p. 59.

percent for tin, equal to 62 percent of current needs).¹⁵ For the other materials, curtailment of even small amounts of supplies would inevitably disrupt the market, leading to higher prices and the possibility of allocation systems and interrupted production schedules for the industries that use them.

Although the United States currently does not import a large percentage of petroleum from the region as a whole, Indonesia has become an important oil producer for the United States market, providing about 6 percent of total United States oil imports.¹⁶ In addition, China's oil production has grown sharply and now exceeds 2 million barrels per day, with impressive estimated reserves. While Japan is the logical recipient of most of this prospective output, a portion could be sold to the United States to reduce the present Sino-American trade imbalance and to reduce United States dependence on Middle East/Persian Gulf sources of supply.¹⁷

Finally, to help sustain its security, economic and political interests in the region, the United States has made available to selected recipients considerable amounts of financial assistance and military aid (see Table 2). The foremost beneficiaries of grants and credits and economic aid have been the developing states that are formal United States allies and China, whereas the bulk of United States military aid has gone to South Korea and the two larger nonaligned developing ASEAN (Association of Southeast Asian Nations) states. In 1979, total United States financial and military aid in the region amounted to over \$1.1 billion and \$340 million, respectively.

POLITICAL INTERESTS

Major United States political interests in the Western Pacific involve the need to preserve and improve bilateral ties with existing allied and friendly governments and to minimize Soviet and pro-Soviet leftist regional influence as far as possible. However, these objectives invariably affect the internal competition for political power within each state. As a consequence, the United States often must reconcile its need to ensure its security and economic interests by supporting existing authoritarian Asian governments that are vulnerable to both internal challenge and external attack with the basic American commitment to liberal Western democracy and human rights.

From the outset, with active congressional backing the Carter administration pursued a global campaign in support of democracy and human rights. The purpose of this policy was not only to rebuild a new domestic consensus on foreign policy based on traditional American ideals and moral values in the wake of the Vietnam war, but also to place the Soviet Union and its allies on the defensive in the quest for world influence and advantage. This approach altered earlier unqualified United States support for authoritarian re-

Table 2: U.S. Assistance to East Asia and Oceania (millions of dollars)

Recipient	Grants/Credits		Economic Aid*		Military Aid	
	1977	1979**	1977	1979	1977	1979
Australia	-50***	-29	—	—	—	—
Brunei	—	.5	—	—	—	—
Burma	8	.5	—	—	—	—
China	69	171	—	—	—	—
Hong Kong	-4	-5	—	—	—	—
Indonesia	163	213	42	95	40.8	34.8
Japan	-48	-69	—	—	—	—
Kampuchea	.5	5	—	—	—	—
Korea, Rep. of	250	228	.5	1	155.0	238.4
Malaysia	24	-16	—	—	36.3	8.0
New Zealand	3	-3	—	—	—	—
Papua New Guinea	-18	.5	—	—	—	—
Philippines	151	140	35	44	38.1	31.7
Taiwan	—	—	—	—	35.5	—
Thailand	72	107	13	22	47.2	32.1
Trust Territory of the Pacific Islands	92	111	—	—	—	—
Other and unspecified	8	108	15	12	—	—
TOTAL	720.5	965.5	105.5	174	352.9	345.0

*under the Foreign Assistance Act.

**preliminary figures.

***net minus: repayments and interest.

Source: U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States 1980* (Washington, D.C.: GPO, 1980), pp. 869-71.

gimes in South Korea, Taiwan, the Philippines, Indonesia, Thailand, Malaysia and Singapore, and led to American pressures for reform. In extreme cases, a cutoff of economic and military aid was threatened.¹⁸

The result of this policy was the alienation of the political leadership of these powers, some token reforms, and, most important, the encouragement of the revolutionary as well as the democratic opposition. Particularly serious were the riots and turmoil in South Korea in May, 1980, and the expanding challenge to the Marcos government in the Philippines by the Marxist New People's Army (NPA) and the Bangsa Moro Army of the Muslim Moro National Liberation Front (MNLF). At the same time, the objective and

even-handed implementation of that policy was open to some question (e.g., the January, 1979, United States-Philippine bases agreement in which the United States agreed to pay \$500 million over five years in exchange for continued use of the vital facilities at Subic Bay and Clark Air Base).

In 1981, the incoming administration of President Ronald Reagan redefined the United States commitment to human rights, to make distinctions based on what was termed "effective pragmatism," and sought to harmonize such policies more closely with United States security interests.¹⁹ Two symbolic gestures in this direction were the visit of the new South Korean President Chun Doo Hwan to Washington, D.C., in February, 1981, the first foreign head of state to meet with President Reagan, and a toast by Vice President George Bush at the inauguration of Philippine President Ferdinand Marcos in June in which Bush praised the latter's "love of democracy." Clearly, the maintenance of a United States military presence and political stability in South Korea and the Philippines overrode human rights considerations.²⁰ Whereas South Korea seems to have stabilized its internal situation, both the Philippines and Thailand are under increasing internal pressures, and for Thailand Vietnamese incursions remain a distinct possibility.²¹ Under such circumstances, the United States will undoubtedly continue to support the governments in power, but it does so at the considerable risk of alienating a potentially victorious opposition and seriously undermining its long-term regional interests.

By contrast, both the Carter and Reagan adminis-

¹⁸For the implementation of this policy, see U.S. Congress, House Subcommittee on Asian and Pacific Affairs, Committee on Foreign Affairs, *Human Rights in Asia: Noncommunist Countries. Hearings*, 96th Cong., 2d sess. (February 4, 5, 6, 1980).

¹⁹See the statement by Under Secretary for Political Affairs Walter J. Stoessel, Jr., during congressional hearings, in U.S. Department of State, Bureau of Public Affairs, *U.S. Commitment to Human Rights, Current Policy no. 293*, July 14, 1981.

²⁰For the vital nature of the Philippine bases for U.S. security and related problems, see my chapter entitled "The Pacific Basing System and U.S. Security," in Tow and Feeny, *op. cit.*, pp. 196-204, 206-08.

²¹For recent analyses of the problems of these two countries, see the prepared statements by David Morell and Richard John Kessler in U.S. Congress, House Subcommittee on Asian and Pacific Affairs, Committee on Foreign Affairs, *Foreign Assistance Legislation for Fiscal Year 1982 (Part 5). Hearings and Markup*, 97th Cong., 1st sess. (March 24, 31, 1981), pp. 109-121, 477-95.

trations have largely ignored the human rights issue as it pertains to China, though somewhat incongruously the Carter administration scrupulously examined violations in Taiwan. If the Reagan administration has ended that practice and has distanced itself somewhat from the Chinese mainland, the clear-cut security need to preserve the strategic advantages of the Sino-American connection as well as two-way trade exceeding \$4 billion has prevailed. And Taipei has not succeeded in its efforts to undermine that tie by inducing the United States to sell it advanced weapons.²² While the Reagan administration may have political difficulties with some conservative critics, the maintenance of the tacit security relationship with China to restrain the Soviet Union and Vietnam in Asia will probably be welcomed by most allied and friendly governments in the region.

Finally, with regard to Japan, the United States has experienced recent political difficulties that have compounded long-standing bilateral differences over trade deficits and low Japanese defense budgets. More specifically, the United States-Japanese Mutual Security Treaty and the presence of United States military facilities and personnel in Japan have long been a subject of Japanese political controversy. In April and May, 1981, Japanese attitudes were shaken by the ramming and sinking of a Japanese freighter by a submerged United States ballistic missile submarine, which failed to rescue surviving crewmen and left the scene, and the disclosure by Edwin O. Reischauer, United States ambassador to Japan from 1961 to 1966, of the existence of a tacit transit agreement that permitted American warships and military aircraft to carry nuclear weapons while within Japanese waters and airspace.²³ Though the government of Prime Minister Zenko Suzuki refused to bow to opposition demands to force the closing of United States bases in Japan, serious damage to United States-Japanese political relations had occurred.

²²The Defense Department has supported the cautious expansion of the Sino-American security relationship. See the Organization of the Joint Chiefs of Staff, *United States Military Posture for FY 1982; A Supplement to the Chairman's Overview* (Washington, D.C.: GPO, 1981), p. 4. The Reagan administration's announcement of the decision not to sell advanced military aircraft (F-5G Tigershark) to Taiwan came after an unprecedented barrage of Chinese criticism as well as opposition within the highest circles of the State and Defense departments and the CIA.

²³A preliminary official U.S. explanation of the submarine ramming incident can be found in U.S. Congress, House Committee on Armed Services, *op. cit.*, pp. 1403-05. See also the article by Gerald Benjamin, "Japan in the World of the 1980's" in this issue.

²⁴See the written statement of CINCPAC Admiral Long, *op. cit.*, pp. 708-22.

²⁵During the May, 1981, meeting between Prime Minister Suzuki and President Reagan, the Japanese reportedly agreed to assume responsibility for patrolling sea lanes within 1,000 miles of Japan.

CONCLUSION

For over a century, the United States has maintained an active interest and presence in the Western Pacific. During most of the post-World War II period, the United States position was considered predominant. Then, with the United States withdrawal from Vietnam and the decision to withdraw United States troops from Korea, there was a sharp deterioration both in terms of actualities and perceptions. Until the early 1970's, American defense policy rested on a two and one-half war strategy, i.e., the ability to deal simultaneously with major wars in Europe and Asia and a minor war elsewhere. After the Sino-American connection was established, that policy and its requisite military component was altered to a one and one-half war strategy.

The determined Soviet military expansion in Northeast Asia, Soviet access to Vietnamese bases in Southeast Asia, and the Soviet invasion of Afghanistan, which threatened the security of vital Western and Japanese oil supplies, contributed to a United States reassessment of its military policies and posture both globally and in the Western Pacific. American regional forces were increased. And in April, 1980, the so-called "swing strategy" whereby United States forces in the Pacific would be shifted to Europe in the event of war was abandoned. While the one and one-half war strategy has not been formally revised, the top United States military commander in the Pacific has argued that the current strategy and its attendant force levels are no longer valid, and that there is a need for substantial improvement in United States strategic and theater nuclear forces, general purpose forces, communications, intelligence, logistics, and cooperation with regional allies and friends.²⁴ There are preliminary indications that as part of the Reagan administration's enhanced defense program, such improvements will be forthcoming in the course of the next several years.

The major unanswered questions related to the securing of United States strategic interests in the Western Pacific are whether: one, the advantages for the United States inherent in its tacit security relationship with China can be maintained in the light of the influence Taiwan exercises within the Reagan administration and Congress and the continuing impasses over United States arms sales to Taiwan and the Taiwan reunification issue; two, Japan can be persuaded to expand its defense capabilities, assume a greater responsibility in protecting regional sea lines of communication²⁵ and provide meaningful economic and security assistance to other regional states; three, persistent United States trade deficits, especially with Japan, can be reduced; and four, continuing economic and political difficulties besetting the governments of key Asian allies and friends can be alleviated without undue risk to United States regional interests. ■

AUSTRALIA AND U.S. STRATEGY

(Continued from page 154)

Reagan administration has also become more attentive toward issues of nuclear proliferation.

Important as they are, issues of this character can be thought of as derivative, compared to the overarching assumptions about world order and crisis management that have brought Australia and the United States even closer together. Yet, at least on the surface, it appears that the Fraser government, with the tacit approval of the ALP, faces a basic disagreement with the Reagan administration. Australia and Fraser personally have undertaken to feature the importance of caring about and sensitivity in dealing with the less developed countries and have outlined bilateral and multinational guidelines under which the rich nations should foster the third world's economic health. It is a subject that Fraser repeatedly underlined during his 1981 visit to North America—with the Mexican President, the Canadian Prime Minister, and with the American President and various United States officials and nonofficial audiences.⁸

The central question here is whether such an outwardly important "philosophical" difference between the United States and Australia could provoke aggravation that over time might diminish favorable American perceptions of Australia's compatibility, worth and reliability. The answer is very likely that it will not. On one specific, there is President Reagan's natural inclination to oppose protectionism. This is also a familiar Fraser theme, which the Prime Minister promotes as a major step toward helping less developed countries. Both men, however, are constrained by powerful domestic pressures. Second, the Fraser government has structured its North-South position on the basis of a firmly "realistic" reasoning. In essence it argues that, humanitarian considerations apart, active first world engagement in fostering the well-being of the third world contributes to the latter's political and security viability, to better and more ordered relations with the first world, and to containing internal radicalism and Soviet or Soviet proxy insinuations. The argument is not novel. But, while it may constitute excessive realpolitik for ALP tastes, it squares very well with the

⁸Illustrative of Fraser's views, see his address of February 9, 1981, to the Victorian Branch of the Australian Institute of International Affairs, Melbourne, cited in *Australian Foreign Affairs Review*, vol. 52 (February, 1981), pp. 73-80. For an appraisal of U.S. administration views on North-South issues, see Steven R. Weisman, *The New York Times*, July 16, 1981.

⁹See for instance Fraser's Chicago businessmen's dinner address, July 1, 1981, in Office of the Prime Minister, *Media Release* of the same date, and Anne Summers' commentary on the compatibility of domestic economic philosophies in *Australian Financial Review*, July 3, 1981; Fraser's interview with Howard A. Tyner in *Chicago Tribune*, July 6, 1981.

intellectual and ideological predilections of the Reagan administration, thus narrowing the gap in United States-Australian outlooks as they might otherwise be perceived in Washington.

Ronald Reagan and Malcolm Fraser are personally likely to shoulder responsibility for the care and feeding of the relationship at least until the close of 1983, when the next Australian election is scheduled. The two leaders have struck up a convivial, working relationship. Australia is refreshing and relieving. It is an ally that does not need to be pushed or pleaded with to render contributions consonant with United States expectations of allies who are assumed to be operating in common cause. Furthermore, the Fraser government not only espouses domestic economic principles that correspond to those favored by the administration, but on balance is seen to have been successful in implementing them.⁹

Given these areas of compatibility, some special inferences might be drawn about the meaning of Australia's differences with the administration. Australian and United States foreign and defense policies are by no means always parallel (although they are almost never perpendicular to one another), and Australia does not invariably follow American wishes. Divergent or reluctant Australian positions are, however, made more palatable to Washington in view of the many and significant Australian resources on which the United States continues to draw, as well as in light of personal and political compatibilities on the two sides. It is arguable moreover that Australia's overall value to the United States increasingly depends on both concrete and ritualistic Australian government gestures that differentiate Australia from the United States. Part of this is a function of Australia's international credibility, and therefore effectiveness—i.e., it is not to be identified as simply a United States surrogate. In part, it is a function of Australian domestic politics. By taking various exceptions to preferred United States courses, the L-NCP government is practicing the politics of deflection. It blunts allegations of servitude, and eases its own electoral prospects. At the same time, it would do the strongly pro-United States L-NCP electoral image little good if, in Australia, the faithful American friend and guarantor were to be construed as a nagger and a bully.

In sum, Australia offers many assets that, if nurtured, will foreseeably rise rather than decline in importance for the United States. International events or events in Australia or in the United States could weaken Australia's actual or perceived value. Differences between the two nations cannot be gainsaid, but are not likely to corrode Australia's reception, and may even be therapeutic in a domestic Australian context. These differences may also invite more sensitive American attention toward Australia, hardly a reflexive junior ally.

THE MONTH IN REVIEW

A Current History chronology covering the most important events of February, 1982, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Arms Reduction

(See *U.S., Foreign Policy*)

European Economic Community (EEC)

Feb. 17—The president of the EEC Council, Belgian Prime Minister Wilfried Martens, meets with U.S. President Ronald Reagan in Washington, D.C.; Martens tells President Reagan that the EEC believes U.S. economic policies are hurting European economies. Feb. 24—Voting 12,615 to 11,180, Greenlanders approve Greenland's withdrawal from the EEC.

Group of 77

Feb. 24—The so-called Group of 77, comprised of developing countries, concludes a 3-day meeting in New Delhi, India, to develop an agenda for negotiating with the industrialized nations for a new international economic order. There are actually 122 members of the group.

Madrid Conference on Security and Cooperation in Europe

Feb. 9—The conference reconvenes in Madrid; the U.S. and the EEC say that they will not conclude a new agreement on East-West cooperation while Poland remains under martial law.

Organization of African Unity (OAU)

(See also *Chad*)

Feb. 9—After meeting for 2 days in Nairobi, Kenya, leaders of the OAU fail to agree on a method to bring about a cease-fire between the Polisario Front and Morocco in the Western Sahara.

Feb. 28—Almost one-third of the 51 OAU members refuse to attend the last session of their meeting in Addis Ababa; they are protesting the admission to the OAU of the Polisario Front.

Organization of American States (OAS)

(See *U.S., Foreign Policy*)

United Nations

Feb. 1—in a statement issued on January 29 and made public today, U.S. President Ronald Reagan says that the U.S. will rejoin the United Nations Law of the Sea Conference and will ask for changes in the "deep sea mining area."

Feb. 2—in Geneva at the opening session of the 1982 40-nation Disarmament Committee, Secretary General Javier Pérez de Cuellar asks the U.S. and the Soviet Union to resume negotiations on limiting strategic nuclear weapons.

Feb. 5—the General Assembly votes 86 to 21 to approve a resolution asking member nations to "cease forthwith . . . all dealings with Israel . . . to isolate it in all fields"; there were 34 abstentions and 16 not present. The vote was taken in response to Israel's annexation of the Golan Heights in December, 1981.

Feb. 25—in a 13-0 vote, the Security Council approves the addition of 1,000 troops to the U.N. peacekeeping force in southern Lebanon.

ALGERIA

(See *France*)

ANGOLA

Feb. 6—in Lisbon, Angolan Foreign Minister Paulo Jorge and Cuban Foreign Minister Isidoro Malmierca Peoli issue a statement declaring that all Cuban troops will be removed from Angola "as soon as all signs of possible invasion" by South Africa have ended; there are an estimated 12,000 to 20,000 Cuban troops in Angola.

Feb. 17—Angop, the Angolan news agency, announces that Angola has established diplomatic relations with Senegal.

AUSTRIA

Feb. 19—Creditanstalt-Bankverein spokesman Joachim Kuhnert announces that a group of Austrian banks has agreed to lend the Soviet Union \$596.6 million at low interest rates over the next 2 years for the purchase of Austrian industrial products.

BANGLADESH

Feb. 15—to protest the recent execution without trial of army officers accused of taking part in the May 18, 1981, coup attempt, all 38 opposition Awami League members boycott Parliament.

BOLIVIA

Feb. 5—President General Celso Torrelio Villa announces a 76 percent devaluation of the peso and a 40 percent increase in food prices.

Feb. 24—Interior Under Secretary Gerardo Tórrez reports that 8 people, including former congressman Juan Rodríguez Guagama, have been arrested for plotting to overthrow the government of General Celso Torrelio Villa.

CHAD

Feb. 11—OAU members vote unanimously to withdraw the peacekeeping force from Chad if, by June 30, President Goukouni Oueddei has not arranged a cease-fire and started negotiations with rebel forces led by his former Defense Minister, Hissene Habré.

CHINA

(See also *U.S., Foreign Policy*)

Feb. 16—the China National Offshore Oil Corporation extends invitations to 46 foreign companies to bid for offshore oil exploration and production rights along the continental shelf off China.

Feb. 18—Communist party Chairman Deng Xiaoping makes his 1st public appearance in 37 days, ending speculation in the Western press that he has been involved in a political power struggle.

COMOROS

Feb. 8—President Ahmed Abdallah names Foreign Minister Ali Mroudjae as Prime Minister and asks him to form a new Cabinet.

COSTA RICA

Feb. 7—National Liberation party candidate Luis Alberto Monge Alvarez is elected President in today's nationwide presidential election, defeating right-of-center Unity party candidate Angel Calderon Fournier. Monge will succeed Rodrigo Carazo Odio as President.

CUBA

(See also *Angola*)

Feb. 23—in a letter in response to Mexican President José López Portillo's peace proposals, Cuban President Fidel Castro says that he will guarantee that Cuban weapons will not be used for aggression anywhere in the Western Hemisphere.

DENMARK**Greenland**

(See *Intl, EEC*)

EGYPT

(See also *U.S., Foreign Policy*)

Feb. 5—President Hosni Mubarak says that he will continue negotiations for Palestinian self-rule in the Gaza Strip and in the West Bank after Israel returns the rest of the occupied Sinai to Egypt on April 25.

EL SALVADOR

(See also *Mexico; U.S., Foreign Policy*)

Feb. 1—U.S. Assistant Secretary of State for Inter-American Affairs Thomas O. Enders says that the U.S. government will release \$55 million in Defense Department funds and supplies for emergency aid to El Salvador. Enders disputes the January *New York Times* report of a major massacre of civilians by members of the armed forces.

Feb. 2—Anti-government guerrillas attack the towns of Nueva Trinidad and Usulutan, about 70 miles east of San Salvador; 100 people are reported killed in the Nueva Trinidad attack.

Feb. 5—The U.S. Defense Department begins shipment of 5 helicopters to the government of President José Napoleón Duarte to replace those destroyed last month in a guerrilla attack on the Ilopango Air Base.

Feb. 10—6 National Guard soldiers go on trial before a civilian court on charges of murdering 3 U.S. nuns and a U.S. lay worker in 1980.

Feb. 12—2 U.S. congressional groups arrive to gather information on conditions in El Salvador.

Feb. 27—Opposition leader Guillermo Ungo, president of the Democratic Revolutionary Front, says his coalition is prepared to begin unconditional talks with the Reagan administration and the government of El Salvador to negotiate a settlement to end the continuing civil war.

ETHIOPIA

Feb. 21—in New York, spokesman for the Eritrean People's Liberation Front Hagos Gebrehewet says that the Ethiopian government has begun a major offensive against the Eritrean guerrillas, using Soviet weapons and military advisers.

FINLAND

Feb. 19—Social Democrat Kalevi Sorsa forms a coalition Cabinet and becomes the new Prime Minister.

FRANCE

Feb. 3—Foreign Minister Claude Cheysson announces that after 2 years of negotiations France has agreed to pay the price the Algerian government has been asking for its natural gas.

Feb. 10—A consortium of French banks agrees to lend the Soviet Union \$140 million for the purchase of French-made equipment for the Siberian natural gas pipeline.

Feb. 13—The government promulgates the revised nationalization law and assumes ownership of 5 of the nation's largest industrial concerns and 20 banks.

GERMANY, WEST

Feb. 8—U.S. and West German negotiators agree on terms for a host nation support program; under the program West Germans are to undertake more responsibility for logistics at U.S. air bases in West Germany.

GUATEMALA

Feb. 5—*La Nacion* editor Roberto Hiron Lemus is shot and killed.

Feb. 8—4 anti-government guerrilla groups announce their merger into the National Patriotic United Front with the aim of unseating the government of Major General Romeo Lucas García.

INDIA

Feb. 25—External Affairs Minister P. V. Narshima Rao cancels plans to attend a conference in Islamabad with Pakistani officials to discuss a nonaggression treaty between the 2 countries; he cancels the meeting because of remarks made by the Pakistani delegate to the U.N. Commission on Human Rights in Geneva, Agha Hilaly, who said that Kashmir was "under foreign military occupation."

IRAN

Feb. 2—in London, the British Foreign Office announces that Andrew Pyke, a British businessman held by the Iranian government for 17 months on suspicion of being a spy, has been released.

Feb. 10—Teheran radio reports that in a 2-day security sweep government forces killed 22 anti-government guerrilla leaders.

Feb. 15—Energy Minister Hasan Ghafuri-Fard announces that his government has signed an agreement with the Soviet Union for the completion of 2 electric power plants in Iran.

Feb. 18—Pars, the official press agency, reports that Iran's ruler, Ayatollah Ruhollah Khomeini, will be replaced by an elected ruling council of between 3 and 5 members.

Feb. 22—Despite the oil price set by the Organization of Petroleum Exporting Countries (OPEC), Iranian officials announce a \$2 per barrel price cut.

IRAQ

Feb. 22—Ministers of the Gulf Cooperation Council, including representatives from Iraq, call for an end to the fighting between Iran and Iraq.

IRELAND

- Feb. 19—The Fianna Fail party wins 81 seats in yesterday's parliamentary elections.
- Feb. 25—Fianna Fail leader Charles J. Haughey survives an effort by Desmond O'Malley to oust him as party leader.

ISRAEL

(See also *Intl., U.N.; U.S., Foreign Policy*)

- Feb. 7—The Defense Ministry announces that it will begin production of its own jet fighter planes, called the Lavi, to reduce Israel's dependence on aircraft purchased from the United States.
- Feb. 15—Prime Minister Menachem Begin and Parliament express "deep concern" over the proposed U.S. sale of arms to Jordan.
- Feb. 25—In Washington, D.C., recently appointed Israeli ambassador to the U.S. Moshe Arens says that "I would almost say it's a matter of time" before Israel takes military action against the Palestine Liberation Organization in southern Lebanon.
- Military forces restrict movement in and out of 4 Arab Druse villages in the Golan Heights, where general strikes have been held for 12 days.

JORDAN

(See also *U.S., Foreign Policy*)

- Feb. 16—Foreign Minister Marwan al-Kassem says that if Jordan does not receive arms from the U.S. it will buy them from other sources.

LEBANON

(See also *Intl., U.N.*)

- Feb. 21—Fighting continues in Tripoli for the 3d day between Syrian-supported Arab Democratic party guerrillas and Palestine Liberation Organization guerrillas belonging to the Popular Resistance movement; 15 people have been killed and 32 wounded in the fighting.

Feb. 22—in West Beirut, a bomb explodes in the Muslim sector, killing 12 people and wounding 40.

LIBYA

(See *Tunisia*)

MALTA

- Feb. 16—Parliament elects Agatha Barbara as President for a 5-year term.

MEXICO

(See also *Cuba*)

- Feb. 17—The Bank of Mexico announces that it will permit the peso to float freely without government support.
- Feb. 18—Following yesterday's decision by the Bank of Mexico, the peso is effectively devalued by 30 percent; this is the first substantial devaluation since 1976.
- Feb. 21—in Managua, Nicaragua, President José López Portillo calls for negotiations to end the war in El Salvador and to improve relations between the U.S. and Cuba and the U.S. and Nicaragua.

MOROCCO

(See also *Intl., OAU*)

- Feb. 12—in Marrakesh, U.S. Secretary of State Alexander M. Haig Jr. announces that the U.S. and Morocco have agreed to establish a joint military com-

mission; Haig says that he and King Hassan II "discussed the potential availability of transit facilities for U.S. forces on sovereign Moroccan soil. . . ."

MOZAMBIQUE

- Feb. 22—in response to a request from President Samora Machel, Tanzanian President Julius K. Nyerere agrees to send a military contingent of about 200 men to assist Machel in suppressing anti-government guerrillas belonging to the Mozambique National Resistance, who are supported by South Africa.

NAMIBIA (South-West Africa)

- Feb. 15—Peter Kalangula, Ovambo leader of the National Democratic party in the Democratic Turnhalle Alliance headed by Dirk Mudge, takes his party out of the alliance; Kalangula opposes the adoption of an ethnically based constitution.

PAKISTAN

(See also *India*)

- Feb. 16—President Mohammad Zia ul-Haq appoints Sahibzada Yaqub Ali Khan as Foreign Minister to replace Agha Shahi, who resigned today because of poor health.
- Feb. 27—Yesterday and today, police have arrested more than 1,400 people and charged them with participating in subversive activities; those arrested are thought to belong to the Al Zulfikar organization led by former Prime Minister Zulfikar Ali Bhutto's son, Mir Murtaza.

PHILIPPINES

- Feb. 9—Over nationwide radio and television, Tommy Manotoc apologizes to the Marcos family for his family's accusation that the Marcos family arranged for his disappearance on December 29. Manotoc claims he was kidnapped by guerrillas belonging to the New People's party.

POLAND

(See also *U.K.; U.S., Foreign Policy*)

- Feb. 4—in Gdansk, the courts sentence 101 people to jail from 1 to 3 months for their role in the street disturbances last month.
- Feb. 8—the government makes public an overall economic plan that includes more trade with Soviet-bloc countries and emphasizes agricultural production and less dependence on imports from the West.

Students return to classes at Warsaw University.

- Feb. 13—in Poznan, police arrest 194 people when they try to hold a demonstration protesting martial law.

The government permits 6 newspapers, closed since martial law was imposed, to resume publication.

- Feb. 15—Government official Stanislaw Ciosek says that there will be no negotiations with Solidarity leader Lech Walesa as long as Walesa continues to demand that his aides be present during negotiations.

- Feb. 17—PAP, the Polish press agency, reports that a 2-day intensive police search resulted in charges or warnings against 145,000 people for violating martial law rules.

- Feb. 18—U.S. bank officials report that the Polish government has made almost all of its past due interest payments for 1981.

- Feb. 20—for the first time since the military takeover, the Communist party daily newspaper, *Trybuna Ludu*, prints a statement by Solidarity leader Lech Walesa;

- Walesa denies issuing any signed statements since his arrest.
- Feb. 22—The government makes public its proposals for future trade union rights, guaranteeing the unions independence but prohibiting them from striking and from becoming a political movement.
- Feb. 24—General Wojciech Jaruzelski addresses the 1st session of the Communist Central Committee held under martial law.
- Feb. 27—The Roman Catholic episcopate appeals for an end to martial law, freedom for those interned and sentenced, and reconciliation with the trade unions.
- Feb. 28—General Jaruzelski arrives in Moscow for talks with Soviet President Leonid I. Brezhnev and other government leaders.

ROMANIA

- Feb. 13—In Bucharest, U.S. Secretary of State Alexander Haig Jr. meets with President Nicolae Ceausescu.
- Feb. 25—U.S. State Department spokesman Dean Fischer says the government is \$5.8 million in arrears on a \$91-million loan extended by the U.S. Agriculture Department's Commodity Credit Corporation.
- Feb. 27—The government announces that it has paid the \$5.8 million it owed the U.S.

SAUDI ARABIA

(See *U.S., Foreign Policy*)

SENEGAL

(See *Angola*)

SOUTH AFRICA

- Feb. 5—Security police in Johannesburg report that detained white labor union official Dr. Neil Aggett, secretary of the black Transvaal African Food and Canning Workers Union, was found hanged in his cell; police claim his death was a suicide.
- Feb. 27—at a meeting of the Transvaal National party, Prime Minister P. W. Botha wins a vote of confidence, 172 to 36, which allows him to interpret party policy on racial issues. The leader of the Transvaal National party, Andries Treurnicht, is dismissed from the party's executive committee.

SURINAME

- Feb. 5—Following yesterday's resignation of President Hendrik R. Chin A Sen and his Cabinet, the National Military Council takes over the government.

SYRIA

- Feb. 6—*The New York Times* reports that the government has uncovered plans for a military coup; about 25 officers are executed and 175 are arrested.
- Feb. 10—A U.S. State Department spokesman reports that the city of Hama, 120 miles north of Damascus, has been sealed off by government troops because of increasing violence between government forces and anti-government rebels.
- Feb. 11—Information Minister Ahmed Iskander Ahmed says the State Department report is not true; he says that government troops went into Hama in search of weapons belonging to the Muslim Brotherhood.
- Feb. 14—Syrian authorities report that the main highway running through Hama has been reopened.
- Feb. 18—Reports from Damascus indicate that govern-

ment troops and tanks are leveling areas of Hama in order to flush out Muslim fundamentalist rebels; thousands of people are reported killed.

TAIWAN

(See *U.S., Foreign Policy*)

TANZANIA

(See *Mozambique*)

TUNISIA

- Feb. 27—in Tunis at the end of a 5-day visit, Libyan leader Colonel Muammar Qaddafi and Tunisian officials agree to reestablish cooperative efforts between the 2 countries.

TURKEY

(See also *U.S., Foreign Policy*)

- Feb. 1—Former Prime Minister Bulent Ecevit is released from prison; he was held for 1 month for violating the government's prohibition on public statements by politicians.
- Feb. 26—the government stages a crackdown on left-wing political groups, arresting 44 lawyers, teachers and journalists and charging them with pro-Communist activities.

UGANDA

- Feb. 23—Radio Uganda reports an unsuccessful coup attempt by 300 armed guerrillas belonging to the Uganda Freedom Movement.

U.S.S.R.

(See also *Austria; France; Iran; Poland; U.S., Foreign Policy*)

- Feb. 3—President Leonid I. Brezhnev again proposes that the U.S. and the Soviet Union reduce their medium-range nuclear missiles in Europe by two-thirds by 1990.

UNITED KINGDOM

Great Britain

- Feb. 5—Deputy Foreign Secretary Humphrey Atkins tells the House of Commons that no new financial credits will be issued to Poland and that the activities of Soviet and Polish diplomatic personnel will be restricted.

Feb. 8—The British National Oil Corporation reduces the price of its oil by \$1.50 a barrel to \$35 a barrel.

Feb. 18—Striking engineers of British Rail win a 3 percent pay increase.

UNITED STATES

Administration

- Feb. 1—Environmental Protection Agency administrator Anne M. Gorsuch announces that the agency will set deadlines so that parties responsible for hazardous waste dumps can clean up the dumps voluntarily before the agency acts.

Feb. 2—President Ronald Reagan asks Congress for \$2.3 billion in extra appropriations in order to extend advances to the unemployment trust fund, which provides the states with unemployment benefits.

Feb. 3—the Central Intelligence Agency adopts a new conduct code for agents "during and after" CIA employment, in an effort to prevent them from using government-acquired information for private gain.

Feb. 4—President Reagan appoints San Franciscan

James Sanders to head the Small Business Administration, succeeding Michael Cardenas, who resigned today.

The John F. Kennedy Library releases tapes of about 325 conversations that were taped secretly in the White House during the administration of President John F. Kennedy.

Feb. 6—President Reagan submits his fiscal 1983 budget to Congress; it projects total spending of \$757.6 billion and a \$91.5-billion deficit; the President calls for cuts in social programs, a continuation of his tax cut programs and increases in spending for the military. He blames the 1983 budget deficit and future deficits on the policies of former administrations. The budget projections call for \$1,640 billion (\$1.64 trillion) in military spending in the next 5 years.

Feb. 10—in his Economic Report to Congress, the President says that the "decision to end inflation over a period of several years will be sustained by this administration."

Feb. 11—The Defense Department announces that the 1st 40 new MX missiles will not be placed in hardened silos but in Minuteman silos that have not been strengthened.

Feb. 12—President Reagan withdraws his nomination of William M. Bell as chairman of the Equal Employment Opportunity Commission; the President nominates Education Department Assistant Secretary Clarence Thomas for the post.

Feb. 22—Lawyer Alan Nelson is sworn in as director of the Immigration and Naturalization Service.

The Consumer Product Safety Commission bans the sale or use of urea formaldehyde foam as insulation.

Feb. 26—B. Sam Hart withdraws his name from consideration for a post on the Civil Rights Commission.

According to F. Charles Gilbert, Deputy Assistant Secretary of Energy for Nuclear Materials, the administration is planning to expand plutonium and tritium production in the next 15 years in order to increase the production of nuclear warheads.

Civil Rights

Feb. 2—According to sources in the Justice Department, more than 200 lawyers and other employees of the civil rights division have signed a letter to protest President Reagan's decision to "extend tax exempt status to racially discriminatory private schools."

Feb. 3—White House spokesman Larry Speakes says that Justice Department employees not satisfied with the government's civil rights or other policies "are welcome to leave" their jobs.

Economy

Feb. 5—The Labor Department reports that the country's unemployment rate declined to 8.5 percent in January.

Feb. 12—The Labor Department reports that its producer price index rose 0.4 percent in January.

Feb. 17—Most major banks raise their prime rates, which have been slowly rising since December, to 17 percent.

Feb. 18—at a White House news conference, President Reagan says he supports the tight money policies of the Federal Reserve Board.

Feb. 22—The Commerce Department reports a revised figure of 4.7 percent for the decline in the gross na-

tional product (GNP) for the last quarter of 1981, instead of the 5.2 percent decline first reported in January.

Feb. 23—Most major banks reduce their prime rate to 16.5 percent.

Feb. 25—The Labor Department reports that its consumer price index rose 0.3 percent in January; the inflation rate stood at a 3.5 percent annual level.

Feb. 26—The Commerce Department reports that the nation's foreign trade deficit was \$5.13 billion in January.

Foreign Policy

(See also *El Salvador; Germany, West; Israel; Morocco; U.S.S.R.*)

Feb. 2—in testimony before the Senate Foreign Relations Committee, Secretary of State Alexander M. Haig Jr. says that the U.S. is prepared to do "whatever is necessary" to support the present government of El Salvador.

Feb. 3—Meeting with President Reagan in Washington, D.C., Egyptian President Hosni Mubarak says that the "key to peace" in the Middle East is the Palestinian problem. The Presidents reaffirm U.S. and Egyptian support for the Camp David accords.

Feb. 4—President Reagan says that on February 2 at the U.S.-Soviet medium-range missile reduction talks in Geneva, the U.S. proposed a draft treaty to the Soviet Union, which proposes the elimination of medium-range nuclear missiles in Europe.

President Reagan and Egyptian President Mubarak conclude their talks.

Feb. 6—in Beijing at the opening of an exhibition of U.S. light industrial products by 80 American companies, Assistant Secretary of Commerce Lawrence J. Brady says that the U.S. anticipates raising the "technological levels" of the products the U.S. will license for sale to China.

Secretary of State Haig calls the issue of the sale of arms to Taiwan a "difficult issue" in the "extremely sensitive discussions" with China.

Feb. 7—Haig arrives in Madrid to start a week's trip to Spain, Portugal, Morocco and Romania.

The State Department's 1981 report to Congress on human rights in 158 countries is released today; it reports that human rights violations in Central America and some parts of Africa are increasing; the Soviet Union and Poland and Taiwan are criticized; El Salvador is said to be improving with a "downward trend in political violence."

Feb. 9—in Riyadh, Saudi Arabia, Defense Secretary Caspar Weinberger and Saudi Defense Minister Prince Sultan announce the establishment of a "joint committee for military projects," to meet once a year.

Feb. 10—in Amman, Jordan, Weinberger meets with Jordan's King Hussein and other officials to discuss the possible sale of U.S. air defense missiles to Jordan.

State Department spokesman Dean Fischer says that the U.S. feels that Soviet President Leonid Brezhnev's proposal for reducing the number of missiles in Europe is unacceptable because it is not equitable.

Feb. 11—the State Department says that President Reagan will ask Congress for an additional \$115 million in military and economic aid for Turkey in the next year.

Feb. 13—Secretary Weinberger leaves Jordan for West Germany; he recommends that the U.S. supply more arms to Jordan.

In San Salvador, Ambassador to El Salvador Deane R. Hinton announces that U.S. military adviser Lieutenant Colonel Harry Melander, who was carrying a rifle against orders while on a training mission with Salvadoran soldiers, will return to the U.S.

Feb. 16—In a letter to Israeli Prime Minister Menachem Begin, President Reagan says that "America's policy toward Israel has not changed . . . Israel's qualitative technological edge is maintained . . ."

Feb. 18—In a televised news conference, President Reagan says that there are "no plans to send American combat troops into action" in El Salvador or "any place in the world."

Feb. 22—Addressing the winter meeting of the National Governors Association, Secretary of State Haig says that refugees from Latin America might flood the U.S. if the trend toward radical governments in El Salvador and other Latin countries is not halted.

Feb. 24—Speaking to the Organization of American States (OAS) in Washington, D.C., President Reagan announces a 6-point plan aimed at improving the economy of the Caribbean region; he promises \$350 million in additional economic aid and \$60 million in military aid for fiscal 1982. He also warns that the U.S. will do "whatever is prudent and necessary" to counter Soviet and Cuban moves in the area.

The Defense Department reveals that U.S. Navy surveillance ships have been posted off the Pacific coast of Central America and El Salvador to monitor arms shipments into El Salvador.

Feb. 25—State and Defense Department officials report that Defense Secretary Weinberger signed an agreement on February 9 with Saudi Arabian Defense Minister Prince Sultan on the conditions for the use of the 5 Airborne Warning and Control System (Awacs) planes that are being sold to Saudi Arabia; details of the agreement have not been released.

Feb. 28—Jordan's King Hussein says that his country expects to ask to purchase U.S. antiaircraft missiles and (possibly) fighter aircraft; Defense Secretary Weinberger says the request is being considered.

Labor and Industry

Feb. 1—The General Motors Corporation reports a small profit of \$333 million for 1981; it is the only U.S. auto manufacturer to show a profit.

Feb. 13—Negotiators for the Ford Motor Company and the United Auto Workers reach agreement on a new contract; workers make concessions on wages and benefits in return for increased job security; rank and file workers must approve the contract.

Feb. 17—The Ford Motor Company reports a loss of \$1.06 billion for 1981.

Feb. 28—Members of the UAW ratify their new contract with the Ford Motor Company.

Legislation

Feb. 10—The Senate votes 55 to 39 to approve an appropriations bill for the Commodity Credit Corporation that includes the payment of \$71 million in interest currently owed by Poland to American banks; the House approved the measure yesterday. The administration waived the requirement that Poland be declared in default. A rider to the bill, passed 85 to 10 (and already approved by the House), provides \$1.23 million in aid to help poor families pay their fuel bills.

Feb. 25—The Congressional Budget Office tells the Senate Appropriations Committee that it estimates defi-

cits of \$111 billion for fiscal 1983 rising to \$140 billion by 1985 because of the 1981 tax cuts. The administration has estimated budget deficits of \$91.5 billion for fiscal 1983 and \$71.9 billion for 1985.

The House Energy and Commerce Committee votes 23 to 19 to cite Interior Secretary James Watt for contempt of Congress because he has refused to produce documents subpoenaed by the committee.

Military

Feb. 22—In Washington, D.C., the U.S. Court of Military Appeals dismisses court-martial charges against Lieutenant Christopher Cooke, charged with passing information to the Soviet embassy. Cooke is dismissed from the service under "other than honorable discharge" conditions.

Political Scandal

Feb. 9—A 3-judge panel of the U.S. Court of Appeals for the District of Columbia rules unanimously that former President Richard Nixon's rights of privacy, as a President and as an individual, were not violated by a General Services Administration plan to release his White House tapes; the ruling upholds a 1979 U.S. district court ruling.

Feb. 11—The U.S. Circuit Court of Appeals for the Third District overrules a decision handed down by U.S. district court Judge John Fullam, who reversed the Abscam conviction of 2 Philadelphians, George Schwartz and Harry Jannotti; it reinstates the convictions.

Feb. 16—U.S. district court Judge George C. Pratt sentences Senator Harrison A. Williams Jr. (D., N.J.) to 3 years in prison and a fine of \$50,000 in an Abscam case.

Supreme Court

Feb. 24—The Supreme Court rules unanimously that the Bureau of the Census is not required to allow state and local officials who are challenging the accuracy of the 1980 census to inspect the master census lists.

Feb. 25—The Justice Department asks to file a brief with the Supreme Court in the tax exemption case of Bob Jones University and Goldsboro Christian Schools; it argues that the current law requires the government to grant tax exemptions to schools that discriminate racially and asks the Court to hear the case; on February 18, in a separate case, the U.S. Court of Appeals issued a ruling temporarily barring such tax exemptions.

VATICAN

Feb. 18—Pope John Paul II returns to the Vatican after an 8-day trip through West Africa.

WESTERN SAHARA

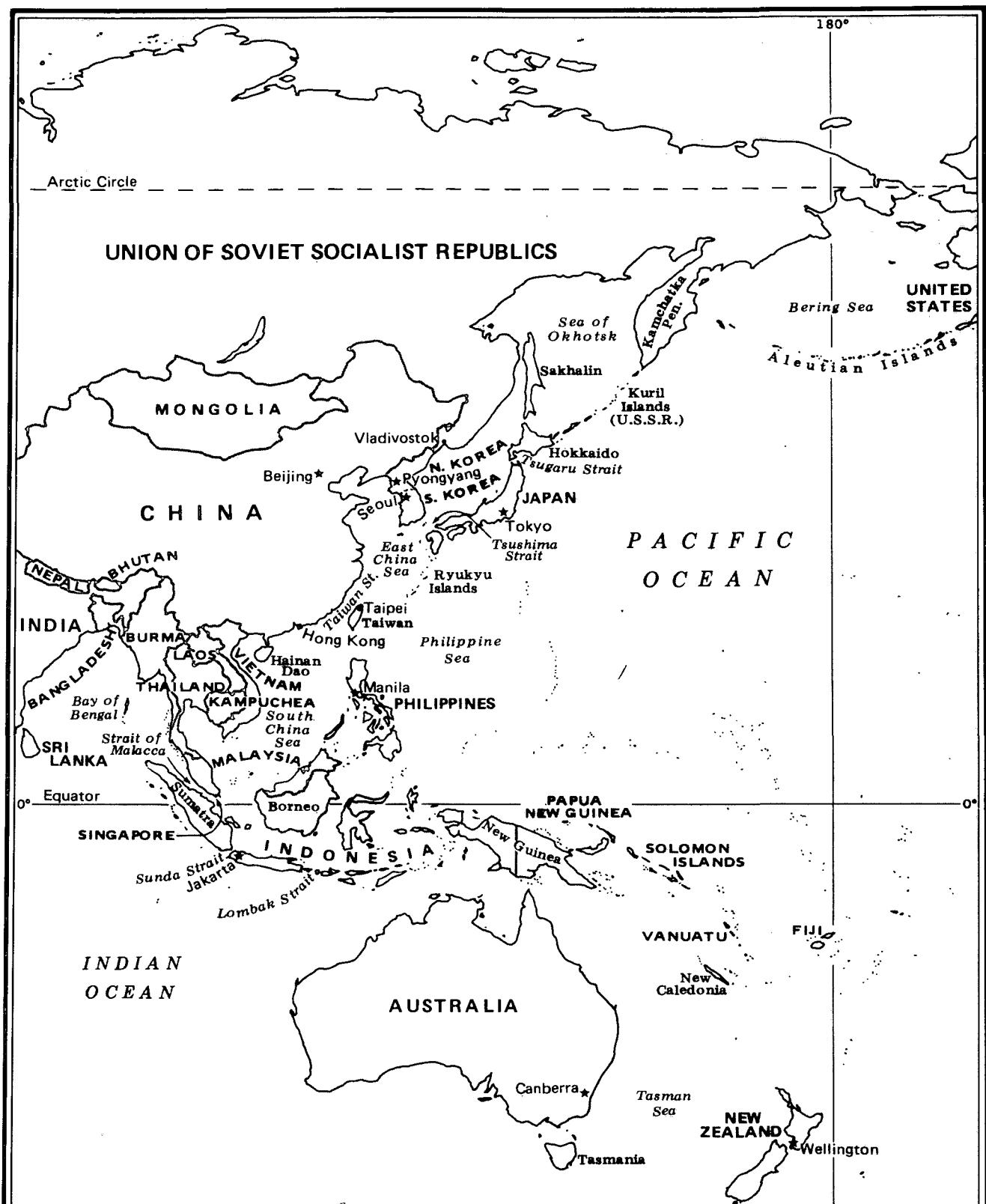
(See *Intl. OAU*)

ZIMBABWE

Feb. 7—Prime Minister Robert Mugabe accuses his coalition partner, Patriotic Front leader Joshua Nkomo, of storing a huge cache of Soviet-made arms on farms owned by his Front.

Feb. 16—The government confiscates farms and other properties held by the Patriotic Front; companies owned by the Front are declared "unlawful organizations" and thus have no recourse to the courts.

Feb. 17—Prime Minister Mugabe dismisses Nkomo from the Cabinet and accuses him of planning to overthrow the government by force.



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